



Daily Report

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Daily Report

China

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General

Officials View GATT Accord, Membership Bid

Accord 'Favorable' to Beijing

HK1712150593 Hong Kong MING PAO in Chinese
17 Dec 93 p A11

[Report by staff reporter: "The Agreement From Uruguay Round of Talks Gives China the Hope To Rejoin GATT Within a Year"]

[Text] Beijing welcomed the agreement concluded at the Uruguay Round of talks of the General Agreement on Tariffs and Trade [GATT] and believes that it will help China rejoin this worldwide tariffs and trade organization. But it also felt that the relevant trade agreement does not give adequate consideration to the interests of developing countries. China has made an official statement that it hopes it can fulfill the goal of "rejoining GATT" officially before the Uruguay Round agreement formally becomes effective on 1 January 1995.

Chinese Foreign Ministry spokesman Wu Jianmin said yesterday: The smooth ending of the Uruguay Round will help check the spreading of trade protectionism and contribute to the development of international trade and the growth of the world economy. The Chinese Government welcomes it.

At an interview with our staff reporter yesterday, a senior official of the Chinese Ministry of Foreign Trade and Economic Cooperation [MOFTEC] said: From an overall and balanced point of view, the conclusion of the relevant trade agreement at the Uruguay Round is favorable to China. On one hand, it can boost the development of China's foreign trade; and on the other hand, after finishing the rounding-off work for the agreement, all the parties thereto will have more time and energy to process the issue of restoring China's status in GATT. Therefore, though the conclusion of the Uruguay Round agreement has no direct relevance to China in a legal sense, it is in reality a positive thing for the process of China's rejoining GATT.

This official pointed out: If the Uruguay Round had failed to bring about an agreement, GATT would have ceased to exist except in name and it would not have really mattered whether or not China joined this worldwide multilateral trade organization. Now that an agreement has been reached at the Uruguay Round, it has set higher demands and requirements on China's rejoining GATT.

Besides containing new provisions on the conventional goods trade, the agreement also sets some additional requirements, such as opening up the services trade market, stepping up protection of intellectual property rights, and reducing restrictions on investment. All countries, whether they are developed countries or developing countries, must observe these new requirements and make self-adjustments accordingly. This also applies to China, because China is now feeling a fresh sense of urgency on the issue of rejoining GATT.

This official also said: Now that the Uruguay Round has been completed and the countries have signed a multilateral trade agreement, which serves to preserve a global, open multilateral trade system, China sees a greater need to speed the process of restoring its status in GATT.

Another official of the MOFTEC said yesterday: China hopes that talks on the restoration of China's GATT status will be completed before the Uruguay Round agreement officially comes into force on 1 January 1995, so that China can fully and better execute its obligations under this multilateral trade pact and make greater contributions to the development of global economy and trade.

He pointed out: It would be unfair not to allow China, having fully participated in the talks and undertaken obligations, to sign any document before the agreement comes into force, simply because China is not considered a signatory.

Accord 'To Aid' Beijing Entry

HK1912075793 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19-25 Dec 93 p 1

[By Jin Man: "Gatt Accord To Aid China's Re-Entry"]

[Text] The conclusion of the Uruguay Round of Gatt talks last week will accelerate China's re-entry into the world trade body, a senior Chinese official predicts.

With the accord among the 117 members in the General Agreement on Tariffs and Trade (Gatt) in the bag, "the trade body will be able to devote more attention to tackling the issue of China's Gatt status," Li Zhongzhou, deputy director general for international affairs at the Ministry of Foreign Trade and Economic Co-operation (Moftec), told Business Weekly.

He said China had fulfilled virtually all the requirements of the Uruguay Round package.

"We've submitted offers concerning trade in services and tariff concessions on agricultural and non-agricultural products, which were the basic demands during the Uruguay Round of Gatt talks to liberalize world trade," he pointed out.

"If the Gatt members hinder the early conclusion of the coming negotiations on China's membership, it would be unfair."

Li said some Gatt members are now demanding greater tariff concessions from China, especially on non-agricultural sectors.

"If we have not pledged enough concessions during the Uruguay talks, we will make up for that in the future negotiations on our re-entry," he said.

That means China will likely make substantial tariff concessions next year.

He promised that China would reduce its tariff levels by more than 33 percent before rejoining Gatt.

"That points up China's readiness to further pare its import barriers," he said.

The average tariff reduction rate granted by Gatt members is 33 per cent—as demanded by the Uruguay Round of talks.

This will follow China's unilateral massive reductions on about 6,000 import items this year.

Gatt has decided to convene the 16th session of the Working Party on China in Geneva next March to accelerate the process.

But Li said China will not accept all demands, such as accession to the Civil Aircraft Code.

Some Gatt members are urging China to join the international agreement on civil aircraft, which stipulates zero tariffs and elimination of subsidies in the sector.

"But, in fact, neither the US nor EC has lived up to this agreement," Li pointed out.

"We can only reduce tariffs to the extent that our national economy can stand," he said.

He called it unfair for certain Gatt members to impose restrictions on Chinese competitive exports, while demanding wider access to markets involving Chinese infant industries.

Should contracting parties have the goodwill, he said, China will rejoin Gatt before 1995, the deadline for Gatt members to sign on the Multilateral Trade Organization (MTO).

"If we fail to rejoin Gatt by then, it will be no use for us to pursue this goal any more in the future," he said.

The rules say China can only sign on as an MTO member after it becomes a Gatt member. That makes 1994 a watershed for China.

If China is approved to sign on as an MTO member, its promises on tariff concessions made in the Uruguay Round of Gatt talks will be effective.

"Otherwise, Gatt members will not see any concessions from China," he pointed out.

GATT Talks on Beijing Membership 'Delicate'

*OW1812093493 Beijing XINHUA in English 0911
GMT 18 Dec 93*

[*"Analysis": "China's Restoration of GATT's Seat at Delicate Stage"*]

[*Text*] Beijing, December 18 (XINHUA)—The recent conclusion of the Uruguay Round has brought the negotiations on China's restoration of membership in the General Agreement on Tariffs and Trade (GATT) to a delicate stage, according to observers here.

China became a GATT signatory in May 1948. But the Taiwan authorities quit GATT membership illegally in 1950, just after New China was established.

Following its official application for restoration of GATT membership in 1986, China has engaged in seven years of rugged negotiations to this end.

So far, the GATT working party on China has met 15 times, and the negotiation of China's restoration of GATT membership has entered a key phase of defining the content of the Protocol and Tariff Reduction.

With the conclusion of the Uruguay Round, in which China was a full participant, negotiations on China's restoration of GATT membership have been lifted to the top of the agenda, Chinese trade officials said.

Wu Jiahuang, head of the Tariff Bureau of China's General Administration of Customs, said that China has to consider the date when the final act of GATT goes into effect in 1995 as the deadline it should be re-admitted. This would signal the final act of the Uruguay Round and China would then be treated as one of the founding members of the "world trade organization", which is to be set up by GATT under the new treaty.

Wu's idea was seconded by Li Zhongzhou, deputy secretary general of China's GATT negotiation team and deputy director of the international department of the Ministry of Foreign Trade and Economic Cooperation.

"China has been actively engaged in the negotiations on every subject of the Uruguay Round from its very beginning. It has carried out its duties according to the negotiation procedures," Li said, adding that China has made many major adjustments in its foreign trade policies to meet the requirements of the negotiations.

During the negotiations, Li said, China offered to the participants tariff reduction schedules for farm products, non-farm products and trade services.

"Though China's tax reduction has not dropped to the required 33 percent, it will make up the deficiency in future talks on restoration of China's GATT membership," Li said.

Considering China's contribution to the conclusion of the Uruguay Round, Li said, "it is unfair not to allow China to sign the final act before it comes into effect and to be a founding member of the "world trade organization".

The conclusion of the Uruguay Round will greatly promote trade liberalization between the formal signatory countries, expand the inner markets among them, and strengthen the competitiveness of their enterprises, they said.

On the other hand, the non-contracting parties of GATT will find it more difficult to enter such markets or to snatch larger shares, hampering their economies.

Therefore, more and more countries and regions will be applying to join the world trade leading body.

A new world trade organization set to be produced by the GATT Uruguay Round will be endowed with a status

similar to that of the International Monetary Fund or World Bank, and will replace GATT as a standing body monitoring world trade.

According to the GATT rules that rights reciprocate duties, the non-contracting countries have to pay more to become members.

"With that in mind, we are well prepared to make extra concessions in tariffs and adopt non-tariff measures vis-a-vis the contracting parties", Li said.

Sources here said they believe that the negotiation of China's resumption of its GATT contracting status should be completed before the implementation of the final act of the Uruguay Round if the signatory countries adhere to the principles of sincerity, reality and co-operation during the negotiations.

China, which is dedicated to reform and opening up, needs to take part in the multilateral trade system, while the improvement of GATT's organization can not succeed without China's full participation.

An early settlement of the issue on China's restoration of its GATT membership is in everybody's interests, they noted.

Li Tieying Briefs IMF Delegate on Reform

*OW1712112393 Beijing XINHUA in English 1108
GMT 17 Dec 93*

[Text] Beijing, December 17 (XINHUA)—Fundamental changes have taken place in China's economic system, and great achievements have been made as a result, Chinese State Councillor Li Tieying said here today.

Li, also minister in charge of Commission for Economic Restructuring, made the remark this afternoon when meeting with Richard Erb, deputy managing director of the International Monetary Fund (IMF), and the fund's annual consultation delegation, in the Diaoyutai State Guesthouse.

Li briefed Erb and his party on the Chinese Government's current measures on building modern enterprise system and on establishing a system of macro-economic controls.

China's economic system has changed fundamentally since the Chinese Government began to adopt guiding measures instead of administrative fiat to manage economic construction, Li said.

Li praised the good cooperation achieved between the fund and the Chinese Government in the past.

Erb expressed appreciation for the policies and measures taken by China to stabilize and control its economy.

Erb said the 16 economic measures on macro-control published by the Chinese Government and the Third Plenum of the 14th Central Committee of the Chinese Communist Party (CPC) held this year undoubtedly had an important impact on the development of China's economy.

The International Monetary Fund is a major international financial organization. The fund makes suggestions on policies for member countries through annual consultations.

Since 1980, when China restored its member status in the fund, 13 annual consultations have been held.

The fund's talks with China this year started on December 1st. Officials from more than 30 major Chinese economic organizations and ministries have attended the talks with the fund's annual consultation delegation.

State Councillors, Foreigners Meet To Mark 1994

*OW2012133093 Beijing XINHUA in English 1258
GMT 20 Dec 93*

[Text] Beijing, December 20 (XINHUA)—Some 250 experts from 24 countries who are working in China and Beijing-based diplomatic envoys from more than 40 countries had a get-together with Chinese officials here this evening to celebrate the up-coming new year of 1994.

Cheng Siyuan, vice-chairman of the Standing Committee of the National People's Congress, State Councillors Song Jian and Li Guixian joined the foreigners in watching performances given by Chinese artists.

Ma Junru, director of the state bureau of foreign experts affairs, and Li Hong, vice-president of the China Association for the Advancement of International Friendship, delivered speeches at the party.

Ma thanked the experts for their support and help to China's construction drive in the past year.

Describing the year 1994 as crucial for China's endeavor in building a socialist market economy, Ma urged the experts to continue to enthusiastically support and help China.

More than 40,000 foreign experts of all trades now work in China.

Since 1979, a total of 310,000 foreign experts have come and worked in China.

Spokesman: UN Secretary General To Visit

*OW2012082993 Beijing XINHUA in English 0813
GMT 20 Dec 93*

[Text] Beijing, December 20 (XINHUA)—Secretary-General of the United Nations Butrus Butrus-Ghali will pay a visit to China from December 26 to 27, after visiting Japan, the Republic of Korea and the Democratic People's Republic of Korea.

A Chinese Foreign Ministry spokesman made the announcement here today.

DPRK: U.S. Raising Nuclear Talks 'Obstacles'

*OW1712174293 Beijing XINHUA in English 1625
GMT 17 Dec 93*

[Text] Pyongyang, December 17 (XINHUA)—The Democratic People's Republic of Korea (DPRK) today accused

the United States of "raising artificial obstacles" and "deliberately delaying a solution" to the nuclear problem on the Korea peninsula.

A DPRK Foreign Ministry spokesman said that a third round of DPRK-U.S. talks over the nuclear issue now "completely depends on the attitude of the United States," according to the DPRK Central News Agency.

The spokesman reaffirmed that it is Korea's basic policy to achieve a complete solution to the nuclear issue through talks with the U.S..

To maintain the continuity of safeguards at nuclear facilities, North Korea has offered to accept an inspection by the International Atomic Energy Agency (IAEA).

The spokesman also accused the U.S. of "persistently raising as a precondition the exchange of special envoys between the North and the South of Korea, a question which has nothing to do with the talks."

The DPRK is surprised at the fact that the U.S. is laying artificial obstacles by connecting the exchange of envoys with the nuclear issue, the spokesman said.

"If this resulted from a U.S. policy switchover, we will have no alternative but to seriously consider our stand toward the dialogue," the spokesman said.

United States & Canada

Report Says Les Aspin Considered for Envoy Post

OW1912120093 Beijing Central People's Radio Network in Mandarin 1030 GMT 19 Dec 93

[By station correspondent (Wang Guoqing) from Washington; from the "National Hookup" program]

[Text] The Cable News Network of the United States disclosed yesterday: U.S. President Clinton has proposed the appointment of Defense Secretary Les Aspin, who recently announced his resignation, as U.S. ambassador to China. It is reported that Aspin is considering whether to accept Clinton's proposal.

Leaders Congratulate Florida Chinese Theme Park

OW1912001393 Beijing XINHUA in English 2324 GMT 18 Dec 93

[By Ming Dajun]

[Text] Orlando, Florida, December 18 (XINHUA)—The Florida "Splendid China" theme park was inaugurated here today with dedication of a 76-acre replication of China, featuring miniaturized reproduction of China's best known landmarks and its historic sites.

Neighboring with the Walt Disney World, the theme park is an epitome of China's beautiful landscapes, fine works of architecture and its people's lives and customs of different times and regions.

Qian Weichang, vice chairman of the Chinese People's Political Consultative Conference, said, "Chinese culture does not only belong to the Chinese people, it is the common wealth of people of the world," adding, "an opening China needs to know more about the rest of the world, and the world needs to know more about China as well."

Qian, who is invited to the grand opening ceremony, said the "Splendid China" theme park, reflecting the characteristics of Chinese culture and ideology, can serve as "a window of Chinese history and culture."

The 100 million dollar theme park has 55 replicas, scaled 1:1 to 1:15, reflecting China's landscape, scenic spots and famous classic buildings. Among them are the Great Wall, the terra cotta warriors, the Forbidden City, Confucius temple, etc.

The park, the newest attraction in central Florida, is a project of China Travel Service Ltd. Hong Kong.

Ma Chi-man, chairman of the board of directors of Florida Splendid China, said in a press conference of the opening ceremony that the park is expected to receive one million tourists in the first year of operation and the number is expected to increase in later years.

Despite the replicas, visitors can also find a museum, a live theater, as well as the performances of folk customs and the creation of traditional arts and crafts throughout the park.

The park operates with a staff of about 400 employees, mainly central Floridians, and an addition of 150 Chinese are employed in specialized entertainment and crafts roles.

Chinese President Jian Zemin, and former President Yang Shangkun, Premier Li Peng, Vice-Premier and Foreign Minister Qian Qichen have sent their congratulations to the inauguration of the park.

XINHUA Notes Washington's Murder Rate

OW1912224393 Beijing XINHUA in English 2221 GMT 19 Dec 93

[Text] Washington, December 19 (XINHUA)—With 12 days to go before the end of the year, 1993 has already seen this U.S. capital a worsening place in terms of increased murder rate.

Statistics of the police department at this city, formally known as the Washington District of Columbia, showed that this year's homicide rate has already topped that of last year.

The 1992 mark, 451 murder victims, was surpassed during the weekend. Two separate shootings resulted in three deaths on Friday [17 December] and another shooting led to one death on early Saturday.

The number of homicide deaths stood for the time being at 455, or 28 short of the second deadliest year of 1990, during which 483 people fell victims to murders.

The worst year for the city appeared to be 1991, but no exact number was available.

According to "Statistical Abstract of the United States," while the nation's murder rate was 10.8 per 100,000 population in 1991, it was 71.9 per 100,000 for the city's 598,000 residents.

Central Eurasia

Uzbekistan Foreign Minister Saidqasymov Visits

Qian Qichen Meets Saidqasymov

OW2012095693 Beijing XINHUA in English 0929
GMT 20 Dec 93

[Text] Beijing, December 20 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen held talks here this morning with Saidmukhtar Saidqasymov, minister of foreign affairs of Uzbekistan.

They exchanged views on issues involving bilateral relations and regional and international events.

After briefing each other on their domestic situations, the two leaders said that the China and Uzbekistan share common ground on a series of issues and that high-level contacts should be maintained.

Qian said that bilateral ties have been developing smoothly since the two countries set up diplomatic relations, and especially after President Islam Karimov visited China last year.

Qian said that China and Uzbekistan have no conflicts of fundamental interests, and added that developing bilateral relations on the basis of mutual respect, equality and mutual benefit accords with the aspirations of the peoples and their long-term interests.

The Chinese foreign minister said that China attaches importance to its relations with Uzbekistan, and explained that economic and trade cooperation is an important part of the overall bilateral relationship.

The two nations' economies are complementary and have great potential for cooperation, Qian said. He added that China is willing to conduct economic and trade cooperation in various forms with Uzbekistan on the basis of mutual benefit.

Qian expressed his hope that both countries create a better environment for sustained and stable development of bilateral economic and trade cooperation.

Saidqasymov said that Uzbekistan is satisfied with the development of bilateral relations since the two countries established diplomatic ties.

Saidqasymov noted that the two countries had signed many cooperation agreements during President Karimov's visit to China, and said that bilateral ties have become closer.

He said that China, which has been playing an important role in international affairs, is a reliable partner of Uzbekistan. Uzbekistan attaches importance to economic and trade cooperation with China, one of its biggest trade partners, he added.

Qian and Saidqasymov also exchanged views on the situation in central Asia.

Noting that all central Asian countries are China's neighbors, Qian said that China wants to continue its good neighborly relationships with those states on the basis of the Five Principles of Peaceful Co-existence.

It is China's hope that the international community promotes peace and stability in central Asia and that countries in the region solve their problems through dialogue.

Saidqasymov said that Uzbekistan is very concerned about security and peace in the region. He suggested that relevant countries solve their conflicts through political means.

Saidqasymov and his party arrived here on December 18. They are scheduled to visit the cities of Changsha, Guangzhou and Zhuhai before returning home.

Trade Official Meets Saidqasymov

OW2012100793 Beijing XINHUA in English 0931
GMT 20 Dec 93

[Text] Beijing, December 20 (XINHUA)—Shi Guangsheng, vice-minister of China's Foreign Trade and Economic Cooperation, met with visiting Uzbekistan Foreign Minister Saidmukhtar Saidqasymov here today.

During their meeting, Shi and Saidqasymov exchanged views on the expansion of bilateral economic and trade relations since the two countries established diplomatic ties in January 1992 and the potential of bilateral economic cooperation in the future.

The Uzbekistan foreign minister arrived here last Saturday [18 December] at the invitation of his Chinese counterpart Qian Qichen.

Saidqasymov Meets Scholars

OW2012100893 Beijing XINHUA in English 0939
GMT 20 Dec 93

[Text] Beijing, December 20 (XINHUA)—Visiting Uzbekistan Foreign Minister Saidmukhtar Saidqasymov held talks here today with experts from the China Institute for International Studies and the Chinese Academy of Social Science.

They exchanged views on international and regional issues.

Voters Approve Russia's Draft Constitution

OW1712153193 Beijing XINHUA in English 1504
GMT 17 Dec 93

[Text] Moscow, December 17 (XINHUA)—Russia's new draft constitution was approved by voters in the nationwide referendum held last Sunday [12 December],

according to preliminary results released today by the Central Electoral Commission.

The basic law was favored by 32.9 million people, or 54.8 percent of those voting, the commission's chairman Nikolay Ryabov said at a news conference here.

He said 58 million out of the 108 million registered voters took part in the referendum.

The results are not final since several "protocols" have not been received yet by the commission, Ryabov added.

However, he said there will be "no substantial changes, they will amount to hundreds of a percent at most."

Near East & South Asia

Algeria's Malek on Jointly Built Nuclear Reactor

OW1912082993 Beijing XINHUA Domestic Service in Chinese 0315 GMT 19 Dec 93

[By reporter Wang Jingcheng (3769 2417 6134)]

[Text] Algiers, 18 Dec (XINHUA)—Algerian Prime Minister Malek told this reporter here today that have always been "very good state-to-state relations" between Algeria and China.

Malek invited several foreign reporters stationed in Algeria for a luncheon today. Speaking of the 35th anniversary of the establishment of diplomatic ties between China and Algeria, he noted that "cooperation between Algeria and China has been fruitful," because there is a "long traditional friendship between Algerian and Chinese Governments."

Malek told reporters present at the luncheon that the nuclear reactor for research jointly built by Algerian and Chinese personnel—an outcome of fruitful cooperation between the two nations—will be completed soon.

Malek answered questions raised by the reporters on Algeria's political and economic situations. He reiterated that the Algerian Government is determined to fight terrorism and bring about national stability at an early date.

XINHUA Interviews Israeli Official on Ties

OW1912125493 Beijing XINHUA in English 1239 GMT 19 Dec 93

[Text] Beijing, December 19 (XINHUA)—Yosi Beilin, Israeli vice-minister of foreign affairs, said that the relations between Israel and China have developed over the past two years in a "very interested way".

Beilin who had a brief stopover here on his way home from Japan made the remarks in an interview with XINHUA on Saturday [18 December].

He noted Chinese statesmen and the prominent Israeli leaders have exchanged visits frequently and that China is interested in the peace process in the Middle East.

Beilin said that Israel attributed much importance to cooperation with China in such areas as agriculture and culture.

He said that Israel showed keen interest in developing bilateral relations in science, which are just beginning.

He said the bilateral economic cooperation between the two countries is still at a lower level but he noted that "there is much room" for development in this regard.

Beilin also gave an account of his views on the situation in the Middle East, saying that "we should find solutions to the current problems".

Shanghai Port Delegates Tour Egypt's Alexandria

OW1912192393 Beijing XINHUA in English 1849 GMT 19 Dec 93

[Text] Cairo, December 19 (XINHUA)—China's port city of Shanghai and its Egyptian counterpart Alexandria have decided to strengthen their friendly exchanges in the coming years, a spokesman for a Shanghai delegation said here today.

The two cities established the sister-city relationship in May 1992.

The Shanghai goodwill delegation led by Wang Liping, representative of the mayor of Shanghai, visited Alexandria from December 15 to 19 at the invitation of the governorate of Alexandria.

Upon leaving here for home today, the spokesman said during the delegation's visit to Alexandria, a memorandum on exchange projects between Shanghai and Alexandria for 1994-1995 was signed Saturday [18 December] by delegation leader Wang Liping and Ahmad al-Sharawy [name as received], secretary-general of the governorate of Alexandria.

Under the memorandum, the two cities will exchange visits by their leaders, expand economic and trade exchanges, facilitate the establishment of cooperative relations between the Port of Shanghai and the Port of Alexandria, including the opening of regular and nonperiodic international shipping lines, and strengthen cooperation in the educational, sports, cultural and tourism fields.

During its stay in Alexandria, the delegation met with Alexandria governor and held talks with leaders of the Egyptian port city. They agreed to further the two cities' ties on the basis of friendly cooperation, equality and mutual benefit.

General Staff Deputy Chief Departs for India

OW1612022693 Beijing XINHUA in English 0125 GMT 16 Dec 93

[Text] Beijing, December 16 (XINHUA)—Lieutenant General Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army (PLA), and his party left here this morning for a goodwill visit to India.

They were seen off at the airport by Fu Jiaping, director of the Foreign Affairs Bureau of the Chinese National Defense Ministry, and officials of the Indian Embassy here.

Arrives in New Delhi 18 Dec

OW1812043293 Beijing XINHUA in English 0314
GMT 18 Dec 93

[Text] New Delhi, December 18 (XINHUA)—A high level Chinese military delegation arrived here early this morning to pay a good will visit to India.

Headed by Lieutenant General Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army, the seven-member delegation was greeted by Lt. General S.K. Sharma, director of the Indian Army Intelligence Bureau, at the Delhi International Airport.

The first high level Chinese Army delegation to visit India in 30 years has come here at the invitation of the vice chief of Indian Army Staff, Lt. General Surinder Nath.

During its 5-day stay in India, the delegation would hold discussions with Indian Chief of Army Staff General B.C. Joshi, Air Chief Marshal S.K. Kaul and the Navy chief, Admiral V.S. Shekhawat.

The delegation will also call on India's high ranking military officers and pay visit to a military training center in suburban Delhi. It will leave India on next Thursday [23 December].

The two countries have decided to form an expert group under the aegis of the joint working group composed of experts from the military and foreign office establishments of the two sides in connection with the line of actual control on the border earlier this year.

New Ambassador to Sri Lanka Presents Credential

OW1612133793 Beijing XINHUA in English 1316
GMT 16 Dec 93

[Text] Colombo, December 16 (XINHUA)—The new Chinese Ambassador to Colombo, Zhang Chengli, today presented the state credential to Sri Lankan President Dingiri Banda Wijetunga.

The new Chinese envoy conveyed greetings from Chinese President Jiang Zemin and Premier Li Peng to the Sri Lankan leader and expressed hopes that Sino-Sri Lankan relations would further be developed and consolidated during his term of office in Colombo.

During the meeting, President Wijetunga expressed satisfaction with the friendly and cooperative relations between the two countries and thanked China for its support and assistance to his country.

The president said that the two countries have cooperated well in international affairs and that he hoped the cooperation would be further strengthened.

Zhang Chengli arrived in Colombo on Wednesday [15 December].

West Europe

Beijing May 'Punish' BBC for Program on Mao

HK1912074093 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 19 Dec 93 pp 1, 2

[By John Kohut in Beijing and Quinton Chan]

[Text] China's Foreign Ministry yesterday accused the BBC of degenerate ethics in producing a documentary portraying Mao Zedong as a man with a sexual appetite for young women, and said Beijing was considering the possibility of retaliation.

Exactly what China might do to punish either the BBC or Britain was not clear. On Friday the Chinese Embassy in London said the BBC was "fully aware of the consequences" if the programme was broadcast tomorrow as scheduled. Asked what specific action China might take by way of retaliation, a Foreign Ministry spokesman said: "The government is considering the question, but there is no answer yet."

However, there were unconfirmed suggestions yesterday that China might choose to respond by ordering the closure of the BBC bureau in Beijing.

A British Embassy spokesman said the Charge d'Affaires, Philip McLean, was called to the Foreign Ministry in Beijing more than a week ago in relation to the BBC documentary. "As far as we're concerned our standard position on the BBC remains the same. It's an independent organisation and there's nothing we can do to influence it," the spokesman said. As for any possible retaliation against Britain itself, the spokesman said "it would be very odd".

One possibility is the Chinese may expel one of the BBC reporters stationed in Beijing, or close down the bureau. The Chinese have since last June refused to accredit journalists put forward by THE TIMES and GUARDIAN newspapers of London. The precise reasons are not clear, but the row over Hong Kong and the British media's emphasis on politics in reporting China are thought to be contributing factors.

So far China's response to the documentary has been to fight back with verbal attacks on the BBC.

"Mao Zedong is a great historic person who is loved by the Chinese people and respected by the people of the world. Any personal attacks launched against him with malicious slander and using mean tricks will not damage his historic position," the Chinese Foreign Ministry spokesman said. "On the contrary, it will only expose the degeneration of the journalistic ethics of the authors of the film, and show that they are hostile to China and Chinese people."

In Hong Kong, XINHUA (NEW CHINA NEWS AGENCY) deputy director Zhang Zunsheng challenged the BBC to justify screening the programme in the run-up to the 100th anniversary of Mao's birth. "Of course as a

great leader he had made some mistakes, but nobody can write out his historical achievements. If anyone attempted to depreciate or even undermine his image at the time when we celebrate his 100th anniversary, all Chinese will not accept it," Mr. Zhang said. "Why does the BBC have to do that? They should give their own reply."

Mao's penchant for young women, one of the themes of the BBC documentary, has been known within political and intellectual circles for years, even though the subject has been taboo for the Chinese media. Aides to the founder of the People's Republic would seek out some of the most beautiful women in the country asking them if they would be willing "to serve the chairman", said a Chinese source who attended dance parties where Mao was a guest.

The BBC documentary comes at a time when the Communist Party of China is trying, for its own political ends, to polish Mao's image. After his death, the Communist Party declared he had been a great leader, but had made serious mistakes, such as his Cultural Revolution, a period of virtual civil war. However, Mao now serves as an important propaganda tool, and in the run-up to celebrations of his 100th birthday, which falls on Boxing Day, the party has played up his successes and ignored his failures.

By shoring up Mao's prestige, the party hopes to reinforce its own claims to political legitimacy as the liberator of the Chinese people.

"They used to say more critical things about Mao, but now we hear only the good, because the party thinks this helps its own image among the people," a Beijing intellectual said. There is "an attempt to revive an uncritical image of Mao to strengthen (the leadership's) legitimacy and emphasise continuity," said Sidney Rittenberg, an American who joined the Chinese Communist Party around the time of the revolution, knew Mao personally, and spent 16 years in solitary confinement under Mao's rule.

According to Dr. Li Suizhi, Mao's private doctor from 1954 until the leader died in 1976, Mao urged that sacrifice was needed for the revolution, but he himself held dance parties at least twice a week in the company of girls recruited from the military's cultural troupes.

"He never said a word about the hundreds of thousands who starved to death," Dr. Li told the BBC. As for the girls at Mao's dance parties, "he might even bring them to his bedroom".

Contacted by telephone, Dr. Li, who now lives in self-imposed exile near Chicago, told the SUNDAY MORNING POST that details of Mao's private life formed only a small part of his interview with the BBC. "I won't put too much emphasis" on Mao's private life, Dr. Li said.

Beijing, Italian Banks Reach Accords on Loans

OW1812070593 Beijing XINHUA in English 0537
GMT 18 Dec 93

[Text] Rome, December 17 (XINHUA)—China and Italy have agreed a buying credit package and loans [as received] worth a total of 150 million U.S. dollars.

Under an agreement, signed by the Bank of China and six Italian banks here today, the Italian banks will provide 150 million U.S. dollars of medium-term buying credit to China to purchase Italian equipment and technology.

Meanwhile, another agreement for 150 million dollars of loans was also reached between the two sides. It will be signed soon by the Construction Bank of China, the Industrial and Commercial Bank of China and related Italian banks.

Speaking at today's signing ceremony, Italian Foreign Trade Minister Paolo Baratta said the agreements are crucial for further development in Sino-Italian economic ties, citing the high-speed growth of China's economy which has seen a boom in imports and exports between the two countries.

China's ambassador to Rome, Li Baocheng, said the agreements will spur bilateral economic relations.

By the end of last year, 1.6-billion-dollars worth of credit agreements had been signed between banks of the two countries.

From January to August this year, Italian exports to China had increased by 130.5 percent compared to the same period last year while imports increased by 18.4 percent.

East Europe

PLA Delegation Meets Romanian Defense Minister

OW1612132493 Beijing XINHUA Domestic Service in Chinese 0145 GMT 14 Dec 93

[By reporter Zheng Jian (6774 1017)]

[Text] Bucharest, 13 Dec (XINHUA)—Romanian Defense Minister Lieutenant General Spiroiu, who has just returned from China, said on 13 December: China has achieved great success in reform and opening up. Shenzhen's pace of development is unparalleled in the world. The Chinese people's living standards have improved significantly. There have been phenomenal changes in many areas.

Spiroiu made the remarks on 13 December during a meeting with a visiting goodwill delegation from the Chinese People's Liberation Army. The delegation was led by General Zhao Nanqi, commandant of the Academy of Military Sciences.

Spiroiu said: China's economic development has spurred national defense construction. The Chinese Army is very well-trained.

He noted emphatically: There is a solid basis for the Romanian and Chinese armies, which have traditionally been on friendly terms, to further develop their friendly and cooperative relations.

Zhao Nanqi and his five-member delegation arrived in Romania on 8 December for a week-long visit. The delegation has visited higher military academies in Romania,

shared its experience with relevant departments, and watched drills and demonstrations by the Romanian Army.

Officials Condole Hungarians on Premier's Death

Luo Gan Visits Embassy

*OW1612113293 Beijing XINHUA in English 1056
GMT 16 Dec 93*

[Text] Beijing, December 16 (XINHUA)—Chinese State Councillor Luo Gan today extended condolences on the death of Hungarian Prime Minister Josef Antall at Hungary's Embassy in Beijing.

The Embassy's Mourning Hall contained wreaths presented by Chinese Premier Li Peng, State Councillor Luo Gan, China's Ministry of Foreign Affairs, the Beijing Municipal Government and the Chinese People's Association for Friendship With Foreign Countries.

Luo wrote in the visitors' book that he was filled with deep grief over the death of Josef Antall and expressed sympathy for Antall's family.

Luo told Klara Meszaros, Hungarian ambassador to China, that China and Hungary enjoy a traditional friendship, and said Antall had made great contributions to the friendly relations between the two countries.

Luo said he hoped that the Hungarian people would continue making progress in construction in memory of Antall.

Meszaros conveyed thanks to the Chinese Government on behalf of the Hungarian Government. Meszaros said she believed that the death of Antall would not influence Hungary's domestic construction and its relations with China.

Li Peng Sends Message

*OW1912032393 Beijing XINHUA in English 0122
GMT 19 Dec 93*

[Text] Budapest, December 18 (XINHUA)—Hungarians today paid the last respect to late Prime Minister Jozsef Antall, who died of cancer last Sunday [12 December] at the age of 61.

A military honor guard carried Antall's flag-draped casket from the parliament to the Kerepes Cemetery, in the accompany of tens of thousands of people.

"We mourn and lament for Jozsef Antall, but we think we have every reason for hope if we follow his course," parliament Speaker Gyorgy Szabad told a crowd.

"What Jozsef Antall has sown, the nation may harvest," Szabad said.

Antall, leader of the Hungarian Democratic Forum (HDF) party, became prime minister in 1990 after winning the general elections.

Attending the funeral were scores of foreign dignitaries, including German Chancellor Helmut Kohl, U.S. Vice President Al Gore and former British Prime Minister Margaret Thatcher.

Presidents and prime ministers from several European countries also joined the mourners. Chinese Premier Li Peng sent a message of condolences.

In late afternoon, Antall was buried in the Kerepes Cemetery where Hungary's most prominent figures are laid in rest.

Latin America & Caribbean

Mexican President Salinas Continues Visit

Discusses Trade Relations

*HK1812070093 Hong Kong AFP in English 0640 GMT
18 Dec 93*

[Text] Beijing, Dec 18 (AFP)—Mexican President Carlos Salinas de Gortari expressed Saturday [18 December] a desire for the development of economic relations between Mexico and China, but also appealed to Beijing to respect international trade regulations.

The Mexican president, who arrived here Thursday for a four day visit, said relations between the countries were at a low point but that "there is much room for cooperation" and expressed hope "that exchanges will increase."

He also reaffirmed Mexico's firm commitment to recognize Beijing's sovereignty over all China.

"We hope that trade relations develop on the basis of clarity, respecting GATT's (the General Agreement on Tariffs and Trade) multilateral agreements and Mexican law," he said, alluding to the alleged dumping of Chinese goods in Mexico.

Mexico responded to the alleged dumping in April by slapping a series of tariffs on Chinese goods.

In 1992, Mexico's trade deficit with China reached 496 million dollars, according to the Mexican government, although China says Mexico had a surplus of 40 million dollars.

Salinas also said that the North American Free Trade Agreement—comprising the United States, Canada and Mexico—was "positive for the whole world."

He told the news conference that during his meeting with Chinese counterpart Jiang Zemin on Friday, he underlined Mexico's position regarding Taiwan.

"Our only diplomatic relations are with the People's Republic of China, but we have trade relations with the whole world," he said.

Salinas will leave Beijing on Saturday for Shanghai.

Holds News Conference 18 Dec

*OW1812073493 Beijing XINHUA in English 0658
GMT 18 Dec 93*

[Text] Beijing, December 18 (XINHUA)—Visiting Mexican President Carlos Salinas de Gortari told a press conference here today that his talks with Chinese leaders yesterday were candid and positive with the two sides showing due respect for each other.

In addition to political dialogue, he said, he and his Chinese hosts discussed matters related to trade, culture, science and technology, and joint ventures. They also exchanged views on the United Nations, on the issue of avoiding nuclear conflict and safeguarding world peace.

He continued that his visit provides an opportunity for Mexican and Chinese businessmen to sit down together and explore possibilities for expanding co-operation.

He held that the trade between the two countries is still quite small and holds great potential for growth. He said he believed that the trade will continue to expand with the establishment of an exchange mechanism to address problems arising from the two-way trade activities.

Salinas, who is making his first visit to China as president, described his current tour as an important part of Mexico's strategy of multiplying its international links in trade, culture, science and other areas.

Mexico, a new member of the Asia-Pacific Economic Cooperation Organization (APEC), is increasing its presence in the Pacific Rim, and in particular seeking to broaden its links with China, which is an important factor in the region and the world as a whole. He added that China is playing an increasingly important role in international economic activities.

President Salinas and his party are scheduled to leave for Shanghai later today.

Arrives in Shanghai 18 Dec

*OW1812155593 Beijing XINHUA in English 1520
GMT 18 Dec 93*

[Text] Shanghai, December 18 (XINHUA)—Visiting Mexican President Carlos Salinas de Gortari arrived here this afternoon by special plane from Beijing, accompanied by Wang Zhongyu, chairman of the Chinese Government Reception Committee and minister in charge of the state economic and trade commission.

Zhao Qizheng, vice-mayor of Shanghai, greeted Salinas at the airport, and Shanghai Mayor Huang Ju met with Salinas and his party here this evening.

Huang said that in the '90s, Shanghai has experienced great changes with its gross production rate last year increasing by 14.8 percent, twice the growth rate in the '80s; overseas investment in Shanghai last year equaled the total for the previous 12 years.

Huang noted that ever since the Chinese Government decided to develop the New Pudong Area in Shanghai,

Pudong has witnessed fast development, fulfilling the five-year infrastructure plan in only three years.

Salinas, who visited Shanghai six years ago, said the city's drastic changes and vigor have impressed him very much.

He expressed the hope that his current visit will further enhance the friendship between Mexico City, which has a population of 16 million, and Shanghai.

This evening, Salinas and his party toured the bund of Shanghai and the night scenes along Nanjing Road, a business center in the city.

Departs Shanghai

*OW1912080993 Beijing XINHUA in English 0726
GMT 19 Dec 93*

[Text] Shanghai, December 19 (XINHUA)—Visiting Mexican President Carlos Salinas de Gortari, concluding his four-day visit to China, left Shanghai by special plane this afternoon.

This morning, the president met entrepreneurs from Shanghai and said that Shanghai, with its fast economic growth and vast market, is very attractive to entrepreneurs from around the world.

He hoped that Mexican entrepreneurs will be able to get involved in Shanghai's economic development.

Before departure, President Salinas and his party also toured the Yangpu Bridge and attended a ceremony for opening the Mexican Shanghai consulate general.

Among those seeing the president off at the airport were Wang Zhongyu, chairman of the Chinese Government Reception Committee and minister in charge of the State Economic and Trade Commission, and Zhao Qizheng, vice-mayor of Shanghai.

Brazilian Government Confers Medal on Ambassador

*OW1912145893 Beijing XINHUA Domestic Service in
Chinese 0225 GMT 17 Dec 93*

[By reporter Zhao Xiaozhong (6392 2556 6988)]

[Text] Brasilia, 16 Dec (XINHUA)—On behalf of the Brazilian Government, acting Brazilian Foreign Minister Abdenur on 16 December conferred the Rio Branco Grand Cross Medal on outgoing Chinese Ambassador Shen Yunao.

The Rio Branco Grand Cross Medal is the highest honor bestowed by the Brazilian Government upon foreign diplomats in Brazil who have performed their jobs with distinction.

At the Brazilian Foreign Ministry's awards ceremony, Abdenur expressed great satisfaction with the development of bilateral relations since Brazil and China established diplomatic relations, as well as his appreciation for Ambassador Shen Yunao's fruitful efforts in strengthening friendly relations between the two countries.

Venezuelan President-Elect on China Policy

*OW1812021793 Beijing XINHUA in English 0118
GMT 18 Dec 93*

[Text] Caracas, December 17 (XINHUA)—Venezuela's President-elect Rafael Caldera said today that the new government will continue to maintain close relations with China.

Rafael Caldera, who will take office on February 2, 1994, made this statement during a meeting with Chinese outgoing Ambassador Huang Zhiliang.

The president-elect said that his country needs to maintain close ties and dialogues with China, adding that Venezuela will continue to maintain the "one China" policy.

Caldera also recalled his three trips to China.

Political & Social**Jiang Zemin, Li Lanqing Attend Beijing Concert***OW1812110793 Beijing XINHUA Domestic Service in Chinese 1419 GMT 5 Dec 93*

[By reporter Zou Aiguo (6760 1947 0948)]

[Excerpts] Beijing, 5 Dec (XINHUA)—Johann Strauss' "Bat" Overture was the prelude for the 1994 New Year Concert, which was held at Beijing's Century Theater this evening. General Secretary Jiang Zemin, together with an audience of more than 1,600 people, attended the concert sponsored by the Ministry of Culture. [passage omitted]

During intermission, General Secretary Jiang Zemin met with well-known conductors Chen Zuohuang and Li Delun. Jiang Zemin extended his congratulations to them for the successful performance and praised Chen Zuohuang's conducting skill. He expressed the hope that the symphony and other serious forms of music would win social support.

Leading comrades also attending the concert included Li Lanqing, member of the CPC Central Committee Political Bureau and vice premier of the State Council; Wang Guangying, vice chairman of the National People's Congress Standing Committee; Zeng Qinghong, director of the CPC Central Committee General Office; Liu Zhongde, culture minister; and Ai Zhisheng, minister of radio, film, and television.

It has been learned that the Ministry of Culture will hold this kind of concert in the first week of December every year.

Li Lanqing Addresses Antismuggling Meeting*OW1712110893 Beijing XINHUA Domestic Service in Chinese 1031 GMT 12 Dec 93*

[By reporter Chen Yun (7115 5366)]

[Text] Beijing, 12 Dec (XINHUA)—On 11 December Li Lanqing, vice premier of the State Council, delivered a speech at the second work conference of the National Leading Group for Cracking Down on Smuggling. He pointed out: Since the last conference of the National Leading Group for Cracking Down on Smuggling, leading cadres from various departments and localities have supervised and supported concerned units in strengthening prevention against and cracking down on smuggling, and they have achieved initial good results. However, the achievements still cannot meet the demands set by the last conference. From now on, we should continue to make great efforts to firmly grasp the struggle against smuggling, and should take effective measures as well as promptly and strictly handle major and serious smuggling cases in order to win victory phase by phase in the struggle against smuggling.

It was learned from the conference that since the last national conference was held in August this year, various localities and departments have attached importance to cracking down on smuggling and have taken coordinated

action in accordance with arrangements by the party Central Committee and State Council. Various units have taken joint action and waged struggles on specific cases. According to a statistical report, from August to October this year various coastal provinces, autonomous regions, and municipalities discovered and handled 2,984 smuggling cases involving items with a total value of more than 900 million yuan. Large-scale smuggling of automobiles and other items by sea has been checked, and smuggling by land and along border areas has also been reduced to a significant extent.

Li Lanqing stated: The struggle against smuggling in the earlier period has proven that, in order to achieve a phase-by-phase success in the struggle against smuggling, the key lies in: good leadership. As long as leading cadres can unify their thinking from higher to lower levels and seriously tackle the problem, we are capable of solving the problem of massive and vicious smuggling.

Li Lanqing added: We must adopt comprehensive methods in the struggle against smuggling and truly "catch law offenders at sea, block and check smuggling at landing places and ports, investigate the markets, and severely punish those who involved in smuggling." In this way, we will be able to curtail the tendencies of flagrant smuggling.

Touching on the handling of major and serious smuggling cases, Li Lanqing pointed out: In handling major and serious smuggling cases, we must not just consider those cases as they stand, or turn major problems into small problems and small problems into no problem at all. In places where smuggling is serious, we should consider the struggle against smuggling as a breakthrough in the struggle against corruption. We must resolutely handle major and serious cases, and must promptly and heavily punish offenders in accordance with the law. We should promptly complete the trial of a number of major cases and make them known to the public so as to frighten offenders.

Li Lanqing said: Cracking down on smuggling is a long-term and arduous task. Various provinces, autonomous regions, and various concerned departments should continue to follow the demands set by the party Central Committee and the State Council, and should organize joint or specific action against smuggling according to their special characteristics in order to make phase-by-phase achievements in the struggle.

Li Lanqing emphatically pointed out: In carrying out the struggle against smuggling, leading cadres should be held responsible for its success or failure. The struggle cannot rely just on the attention of the central authorities; party and government organizations at all levels should be held responsible. Meanwhile, it is necessary to mobilize and rely on the masses, and jointly build a great wall of steel against smuggling.

Li Ruihuan Meets Leaders of Islamic Association*OW1712133993 Beijing XINHUA in English 1330 GMT 17 Dec 93*

[Text] Beijing, December 17 (XINHUA)—Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with delegates to the Sixth National Congress of Chinese Islam in Beijing today.

He said that over the past four decades, the Islamic Association of China has always supported the Communist Party and the government and it has done lots of work in helping the party and the government implement the policies of religious freedom.

The association has played a positive role in maintaining social stability and developing the economy, managing its religious affairs in line with the law and promoting international friendly exchanges, he added.

The five-day congress ended in Beijing today and it elected a new leadership headed by Imam al-Hajji Salah an Shiwei.

Li also had talks with the new leaders of the Islamic Association of China.

He noted that since China has adopted correct religious policies which fit its reality, the country has successfully handled religious problems.

He said that in the new situation, it is most important for the Islamic organizations at various level to study the question how Islam will fit into socialist society and help the party and government implement the religious policies.

He stressed social stability as the precondition of the smooth development of the reforms and opening to the outside world. Thus, the task of maintaining social stability will be carried out in the whole process of the reforms and opening to the outside world.

He said that all social associations should study how to play their role in maintaining social stability in the country.

He said that the Islamic associations at all levels are the links between the government and the broad Muslim masses and they can play a greater role in uniting and educating the Muslims of various nationalities and in maintaining social stability.

Li said that development of the socialist market economy has provided opportunities for the vast Muslim masses.

He said that the Islamic associations should enhance the ties with the Muslim masses, reflect their hopes and safeguard their legal rights and interests.

He urged the Islamic Association of China to unite the Muslim masses as much as possible so as to bring their initiative into full play and make more contributions to the establishment of the socialist market economic structure. Wang Zhaoguo and Zhao Puchu, vice-chairmen of the CPPCC National Committee, and Ismail Amat, minister in charge of the State Nationalities Affairs Commission, took part in the meeting.

Says 'To Tighten' Control

HK1912073093 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 19 Dec 93 p 8

[From Geoffrey Crothall in Beijing]

[Text] The Communist Party has ordered leaders of China's Islamic community to tighten their control over the increasingly animated mainland Muslim population following widespread protests by Chinese Muslims earlier this year. Politburo Standing Committee member Li Ruihuan told delegates to the Sixth National Islamic Convention in Beijing it was their "duty to maintain social stability".

Social stability was the "bedrock of China's reforms" and should be maintained at all costs, Mr. Li said.

Muslim sources in Beijing say the party and government are becoming increasingly nervous about the rising tide of Muslim militancy in China, and are redoubling their efforts to reassert control. "They know that if China is to break apart, the initiative will come from the Muslims in Xinjiang and other parts of western China first," a source said.

The government has been alarmed by a wave of protests which swept China after the publication of a Taiwanese book in the mainland earlier this year which includes passages deeply offensive to some Muslims. Nine people reportedly died during a massive protest in Xining, the capital of Qinghai Province, in early October, after police tried to hold back a crowd of an estimated 100,000 demonstrators.

A smaller protest is said to have taken place last month in the Sichuan provincial capital, Chengdu, where the book was published. The demonstrators, mainly from Xinjiang and Qinghai, surrounded the office of the provincial minority affairs office, and several protesters were arrested when police moved in, sources said.

Protesters even tried to stage a demonstration in Beijing but were turned back by police before they could reach the capital.

The government is reportedly trying to enlist the help of the Chinese Islamic Association in controlling the protests, because it does not want to use undue force in quelling the demonstrations. Government officials understand very well that if excess force is used by the police or the Army, the protests will likely escalate.

"If a Muslim brother dies, there will be a memorial gathering three days later, then on the seventh day and on the 40th day. On the first anniversary there will also be a gathering," a Muslim academic in Beijing said.

In his meeting with the Islamic Association, Mr. Li emphasised repeatedly the need for leaders of the Islamic community to work with the party and government in maintaining social order. "The Islamic Association can contribute still more as a link between the government and China's Muslims," Mr. Li said.

Mr. Li was chosen to deliver the warning to the Islamic Association for two reasons, sources said. First, as head of the Chinese People's Political Consultative Conference, Mr. Li is responsible for overseeing relations with non-Communist Party organisations. But more importantly, he

had just returned from an official visit to Pakistan, which borders the predominately Muslim region of Xinjiang. The visit was part of a diplomatic offensive launched by Beijing two years ago to improve relations with Islamic countries.

"China wants good relations with Muslim countries because in that way it can more effectively control its own Muslim population," an Arab diplomat said. "It makes it much more difficult for us to lodge a protest about this (suppression of Muslim protests) once we have good relations. It is not considered polite," he said.

During his meetings with Pakistan's political leaders, Mr. Li is said to have stressed the importance of not interfering in the way China handles its own Muslim population.

Zou Jiahua Attends Shandong Expressway Opening

OW1812140093 Beijing XINHUA in English 1316 GMT 18 Dec 93

[Text] Jinan, December 18 (XINHUA)—The expressway linking Jinan, capital of Shandong Province, and the port city of Qingdao opened to traffic today, after three years of construction.

Vice-Premier Zhou Jiahua and Jiang Chunyun, secretary of the provincial committee of the Chinese Communist Party, cut the ribbons at today's ceremony marking the opening of the first expressway in the province.

Deputy Secretary-General of the State Council Zhang Kezhi read out inscriptions written by Chinese President Jiang Zemin and Premier Li Peng for the completion of the expressway.

The 318-kilometer expressway runs almost the entire east-west length of the Shandong peninsula and connects five cities and 17 counties on its way. It is second in length only to the Shenyang-Dalian expressway in northeast Liaoning Province, which is so far the longest expressway in China.

The expressway cost a total of 3.1 billion yuan, including a loan of 110 million U.S. dollars from the World Bank, official sources said.

The four-lane expressway will allow vehicles to run at 100 to 120 kmh. The 24-hour traffic flow is expected to reach 40,000 to 50,000 vehicles.

An official said construction had been completed four months earlier than required by the contract.

Contractors for the expressway include the Shandong Transportation Engineering Company, Beijing Municipal Construction Engineering Corporation, the No. 14 Construction Bureau of the Ministry of Railway and others.

All contractors won contracts through international bidding. The officials said that the construction work was subject to strict quality control according to international practices.

Construction supervisors claimed that the construction quality, speed and management had been "first class", even comparable to advanced international levels.

The Jinan-Qingdao Expressway, as part of the future national expressway network, will greatly promote the province's economic ties with other Chinese regions and hence also contribute to its development, according to the officials.

Reacts to Qingdao Oil Tanker Fire

OW1712114493 Shanghai People's Radio Network in Mandarin 1000 GMT 17 Dec 93

[From the "News and Weather" program]

[Text] According to news from Shandong, at 1415 [0615 GMT] on 16 December the 24,000-tonne oil tanker "Huahai No. 1,"—which was berthing at Anchorage No. 23 at Jiaozhou Bay in Qingdao—suddenly exploded in flames.

As of the time this dispatch was filed, 59 successive explosions have occurred, splitting the hull of the tanker. Of the 38-member crew, three are missing and the rest have been evacuated to safety.

After hearing the news, Yu Zhengsheng, secretary of the Qingdao party committee and city mayor, immediately rushed to the scene to direct the rescue work.

At 1950 on the evening of 16 December, Zou Jiahua telephoned to inquire about the accident. He also gave important instructions regarding the accident.

It has been learned that the oil tanker carried 3,000 tonnes of crude oil and more than 200 tonnes of light diesel oil. It will be difficult to effectively contain the fire any time soon. As of 1500 on 17 December, the danger of a great explosion from the tanker, which is 1.4 nautical miles from Huangdao oil depot, still exists.

Firemen Extinguish Fire

OW1712160993 Beijing XINHUA in English 1553 GMT 17 Dec 93

[Text] Qingdao, December 17 (XINHUA)—A woman and a baby were among the 35 people rescued from a fire which swept an oil tanker on Thursday [16 December] at Qingdao Port at Jiaozhou Bay, in eastern China's Shandong Province.

The fire has now been put out, but three people are still missing.

The Beihai Fleet of the Chinese Navy and firemen from the Qingdao Port Administration Bureau came to the burning Huahai No. 1 oil tanker soon after the fire broke out.

After more than 25 hours of fire-fighting, the blaze was completely extinguished today by 15.15 hours Beijing time.

Officials of the Qingdao Municipal Government rushed to the site and participated in the struggle against the blast.

The 28,000-ton oil tanker caught fire after a sudden explosion at ten past two yesterday afternoon.

The tanker had been berthed waiting to transport petroleum to Shanghai. There was already 3,000 tons of petroleum aboard the tanker when the fire broke out. The oil did not explode thanks to the immediate action of the firefighters.

Though the tanker was badly damaged, no oil leaked out. The cause of the explosion is now being investigated.

Hu Jintao Addresses Party School Commencement

OW1912060993 Beijing XINHUA Domestic Service in Chinese 0929 GMT 1 Dec 93

[Text] Beijing, 1 Dec (XINHUA)—Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee, member of the CPC Central Committee Secretariat, and president of the Central Party School, attended and addressed on the afternoon of 30 November the commencement of the Central Party School's 15th class for advanced studies for leading cadres at the provincial and ministerial levels. He emphatically pointed out that the reform of China's economic system had entered a new stage in which reforms in all areas were being carried out and efforts were being made to seek breakthroughs in key areas. He urged party committees at all levels to keep their eyes on the overall situation, to work in a down-to-earth manner, and to resolutely carry out a string of the central authorities' decisions and plans, to provide a forceful assurance for deepening reform and quickening the pace of development.

The 15th class started on 1 September. Attending the class were 50 students from various provinces, autonomous regions, municipalities, central state organs, and the armed forces. Over the three months of the class, all students concentrated on studying and maintained a good style of study; they integrated reading, pondering, discussion, and exchange, and achieved relatively good results in their studies. At the commencement, Wan Shaofen, deputy director of the CPC Central Committee United Front Work Department; Yang Jichang, member of the Standing Committee and director of the Propaganda Department of the Guangxi Zhuang Autonomous Regional CPC Committee; Yang Jianqiang, vice governor of Yunnan Province; Wang Houhong, member of the Standing Committee and director of the Propaganda Department of the Hainan Provincial CPC Committee; and Li Meng, vice governor of Sichuan Province, freely discussed their gains in studying Volume 3 of the *Selected Works of Deng Xiaoping* and the guidelines of the Third Plenary Session of the 14th CPC Central Committee.

At the commencement, Hu Jintao expounded on the significance of studying the theory of building socialism with Chinese characteristics and set guidelines for building and improving the party. He emphasized three points: First, we should build our leading bodies and strive to enhance our ability to command the socialist market economy. Second, we should unleash a serious struggle against corruption in accordance with the central authorities' plan. Third, we should attach importance to and

strengthen the building of grass-roots party organizations and further increase their vitality and enhance their combat capabilities.

In closing, Hu Jintao expressed the hope that all students of the class would regard the intensive study during the session of the class as a new starting point, and, at their respective work posts, continue to study hard and to comprehend Deng Xiaoping's theory of building socialism with Chinese characteristics. He said: There is no limit to our study; the important part is to be able to study self-consciously and persistently. We should form a good habit of reading regularly and pondering problems in depth; no matter how busy we are, we should find time for study. Properly handling the relationship between work and study, combining the two, and enabling the two to contribute to each other are also important, leading skills.

The commencement was presided over by Wang Jialiu, executive vice president of the Central Party School. Those also attending the commencement included Hou Zongbin, Zheng Bijian, Zhao Zongnai, Xu Ruixin, Zheng Keyang, Su Xing, Xing Benshi, and Liu Shengyu.

Legislators Consider Draft Laws at NPC Opening

OW2012105693 Beijing XINHUA in English 0830 GMT 20 Dec 93

[Text] Beijing, December 20 (XINHUA)—Chinese legislators listened to reports on 11 draft laws here today while attending the opening of a ten-day session of the Standing Committee of the Eighth National People's Congress (NPC).

Qiao Shi, chairman of the Eighth NPC Standing Committee, presided over the fifth bi-monthly session, which was held in the Great Hall of the People.

Director of the Legal Affairs Commission of the NPC Standing Committee Xue Ju, and deputy directors Cai Cheng, Xiang Chunyi and Li Yining made speeches on the revision of the draft corporations Law, the draft amendment to the accountants law, the draft budget law, and the draft law of securities.

Submitted to the congress for deliberation today were such draft laws as the provisional regulation on levying the value-added tax, consumption tax and business tax on foreign-funded and foreign enterprises; the supplementary regulation on severely punishing illegal border crossings and emigration; the foreign trade law; the law on the protection of investments of Taiwan compatriots; the law on natal and health care; and a decision on relevant issues concerning the right of conducting investigations in criminal cases by security departments in the army.

Heads of departments concerned gave explanations on the draft laws and regulations to the standing committee members of the Eighth NPC.

Yu Yongbo, director of the General Political Department of the Chinese People's Liberation Army (PLA), said that it is necessary to legalize the role of PLA security departments in conducting investigations into criminal cases

within the army because the security personnel have met with difficulties in recent years when probing such cases.

The PLA security departments are responsible for the investigations of crimes committed by military personnel, permanent staff, or staff members, and of crimes committed on army grounds, Yu said.

At today's session, the legislators also listened to a report on China's entry into the international convention on maritime search and rescue at sea and the draft decision on the convening of the Second Plenary Session of the Eighth NPC in March 1994.

State Plans Laws To Prevent 'Inferior' Births

OW2012114093 Beijing XINHUA in English 1114
GMT 20 Dec 93

[Text] Beijing, December 20 (XINHUA)—China is to use legal means to avoid new births of inferior quality and heighten the standards of the whole population.

The measures include deferring the date of marriage, terminating pregnancies and sterilization, according to a draft law on eugenics and health protection, which was presented to the current session of the Eighth National People's Congress (NPC) Standing Committee.

Explaining the law to participants at an NPC session that opened here today, Minister of Public Health Chen Minzhang said that the measures will help prevent infections and heredity diseases and protect the health of mothers and children.

Under the draft law, those having such ailments as hepatitis, venereal disease or mental illness, which can be passed on through birth, will be banned from marrying while carrying the disease.

Pregnant women who have been diagnosed as having certain infectious diseases or an abnormal fetus will be advised to halt the pregnancy. Couples in the category should have themselves sterilized, the draft says.

China is in urgent need of adopting such a law to put a stop to the prevalence of abnormal births, Minister Chen explained. Statistics show that China now has more than 10 million disabled persons who could have been prevented through better controls.

The draft also stipulates that organizations that are engaged in pre-marital checks, eugenics, pre-birth diagnosis or sterilizations should be approved by the authorities at the county level and above.

Personnel involved in this area should be subjected to strict training, Chen said.

The minister of public health called on medical authorities at various levels to establish a comprehensive network for the implementation of the law.

The draft does not state whether China will adopt euthanasia to eliminate congenitally abnormal children, saying that the international community has not come to a conclusion on that issue.

The draft also does not touch on the issues of artificial fertilization or test-tube babies because the effects of these techniques have caused some disputes and because it's too early to put any limitations into law, Chen said.

Minister Chen said the government should strengthen its control and supervision of these techniques. He called for the Ministry of Public Health to work out tentative management measures of control.

Provinces 'Rushing To Pay' Teachers' Back Pay

HK1812065293 Beijing CHINA DAILY in English 18
Dec 93 p 3

["CD News" report: "Withheld Pay Rushed To Teachers"]

[Text] Provincial governments are rushing to pay withheld teachers' salaries as the year-end deadline set by the State Council approaches.

Many provinces and autonomous regions are adopting urgent and even harsh measures in response to the council's circular regarding the delayed payment of primary and high school teachers, mostly in poor rural areas.

Emergency meetings have been held by several local governments, including Anhui, Heilongjiang, Sichuan, Guizhou and Hunan provinces and Inner Mongolia. Local governors at these conferences pledged to pay all the money owed to teachers before January 1, 1994 when China's first Teacher's Law will go into effect.

In Southwest China's Yunnan Province, all delayed teachers' payments were made after Governor He Zhiqiang approved a 500,000 yuan (\$86,200) loan to impoverished Yongde County to pay teachers there, the Chinese Education News [ZHONGGUO JIAOYU BAO] reported.

In East China's Anhui Province, Governor Fu Xishou warned no salaries would be paid to local government staffs if they failed to pay teachers' salaries.

Fu also suggested that some construction projects be halted and that the government sell some recently purchased luxury cars to raise money for the teachers.

In Hunan and Inner Mongolia, the governments have granted special funds to ensure teachers will get all the money owed them before the year's end.

Since late last year, the practice of delaying teachers' salaries has grown increasingly widespread.

By the middle of this year, the total amount of withheld teachers' salaries had reached nearly 1.4 billion yuan (\$254 million). The enormous sum prompted great concern among government officials and the public.

The practice of delaying payments was likely caused by financial tensions in most regions after China achieved a double-digit net growth rate.

Top education officials blamed local governments for not attaching enough importance to education and for misusing educational funds for economic purposes.

By Teacher's Day on September 9, about half the delayed wages had been paid due to efforts by the State Education Commission, central and local governments.

But the path to complete settlement of the problems still seemed thorny until the State Council released the circular at the end of last month.

The State Council banned local governments from approving new non-production construction projects and buying new cars if they failed to pay teachers as required.

It also threatened harsh punishment to those who break rules or misuse education funds in the future.

Printers Publish Collection of Books on Mao

OW1712145093 Beijing XINHUA in English 1445
GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—A large collection of books and a pictorial album entitled "China Produced a Mao Zedong" were recently published by Hainan Publishing House and Jiangsu Literal and Artistic Publishing House.

Chinese President Jiang Zemin wrote a calligraphic inscription for the books and the album which says: "Comrade Mao Zedong will live in the heart of the people for ever."

Mao Zedong's son and daughter-in-law Mao Anqing and Shao Hua are the chief editors of the books and the album.

This afternoon, a forum was held for the publication of the books and the album. Present were Vice-Chairpersons of the Standing Committee of the National People's Congress Lei Jieqiong, Li Ximing and Cheng Siyuan, and Vice-Chairmen of the National Committee of the Chinese People's Political Consultative Conference Seypidin Azizi and Zhao Puchu.

Participants in the forum spoke highly of the publication of the books and the album, which mark the 100th anniversary of Mao Zedong's birth.

The 32-volume collection of books shows Mao's life, work, struggle, study, family, interests and contacts with people.

Science & Technology

Beijing To Build More Nuclear Power Plants

OW1612092893 Beijing XINHUA in English 0805
GMT 16 Dec 93

[By Gao Xinghua and Li Guoli]

[Text] Hangzhou, December 16 (XINHUA)—By 2020, China should have a nuclear generating capacity of 20 million kilowatts, furnishing about five percent of the country's annual electric power output.

According to a senior official at the China National Nuclear Corporation (CNNC), nuclear power now accounts for only 0.5 percent of the country's output.

The 300,000 kilowatt Qinshan Nuclear Power Plant in Zhejiang province is celebrating the second anniversary of its trial operation. The Daya Bay Nuclear Power Plant in Guangdong, with two 900,000 kilowatt generating units, is to start commercial production next year.

"That means China's nuclear power generating capacity will be 2.1 million kilowatts," said CNNC Deputy General Manager Zhao Hong.

Work has begun on the second phase of construction at the Qinshan facility, which involves four 600,000 kilowatt generating units powered by nuclear reactors, Zhao told XINHUA.

CNNC also plans to continue construction at the Daya Bay plant, which will install two more generating units, each with a capacity of 900,000 kilowatts or greater, he said.

Coastal provinces such as Jiangsu, Liaoning, Hainan and Shandong are "interested in nuclear power plants," and are making pre-construction preparations or conducting commercial negotiations.

Nevertheless, Zhao said, the development of nuclear power in China has to be "appropriate" in scope and speed because nuclear reactors are expensive.

To cope with this problem, he said, CNNC welcomes foreign investment to supplement domestic funds from the central and local governments and Chinese bank loans.

Daily Discusses 'Advantages' of Nuclear Power

HK1812055293 Beijing in Chinese 9 Dec 93 pp 1, 2

["Electric Power Problems Report Series" column, by staff correspondents Chen Zujia (7115 4371 3946) and Zhu Jingruo (2612 4552 5387): "Nuclear Power: An Option That Leads Us out of the 'Bottleneck'" —first paragraph is RENMIN RIBAO editor's note]

[Text] This newspaper followed the report series on the railway problem in the first half of the year with another series on the electric power problem in the second half. Beginning with the article "Electric Power: Another 'Bottleneck' for China's Economy," the series eventually ran for two months, during which it produced 12 articles—all of them carried in a prominent place—and attracted widespread attention from various circles. The following article is the last in the series. In coming days, this paper will carry a synopsis by Shi Dazhen, minister of power industry. We would like to express our heartfelt gratitude to all the comrades who cared about and supported the electric power report series, and to those who offered assistance to reporters in their coverage.

The entry of nuclear power into our country's economic life is only a recent event.

On 15 December 1991, the Taishan nuclear power plant, situated on Hangzhou Bay, delivered powerful electrical currents to the east China power grid. Toward the end of this year, the No. 1 generator at the Daya Bay nuclear

power plant in Guangdong will go into commercial operation. There will be a continuous supply of nuclear power to Guangdong and Hong Kong, turning a new page in the history of China's energy.

At the time we were cheering the takeoff of nuclear power in our country, nuclear power already had supplied one-sixth of the world's power generation, and in 1992 there were 424 nuclear reactors operating in countries around the world.

Changes in the energy consumption structure determine economic upturns and downturns. Following coal and petroleum, the peaceful use of nuclear energy has changed; in its turn, the world economic pattern.

I. Nuclear Power: The Key To Solving Problems in Development

In the last 40 years, nuclear energy has been one of the main reasons why many countries along the Pacific Rim and on the two shores of the Atlantic Ocean achieved rapid economic development despite their remoteness from or shortage of energy resources.

In the 1960's and 1970's, when southern China relied on the constant supply of coal from the north, nuclear power rose rapidly to the fore in Europe and the United States. In the course of 30 years, the United States built more than 100 nuclear reactors and became the country with the largest nuclear power capability. France made developing nuclear power its national policy for solving the energy shortage, and in the 17 years from 1973, increased its proportion of nuclear power from 4 to 72 percent. A cheap and quality-constant nuclear power base has supported the French economy. Now, all the EC countries, which once were plagued by energy shortages, see one-third of their electric power generated by nuclear energy. Given all this, the developed European countries and the United States still believe that they will not make it into the 21st century without nuclear energy.

In the 1980's, the center of economic growth shifted to the Asia-Pacific region. Countries along the Pacific Rim, having pierced the dark clouds surrounding the nuclear incidents on Three Mile Island in the United States and at Chernobyl in the former Soviet Union, now see nuclear energy as the golden key to solving difficulties in economic development.

Japan, with 44 nuclear power plants, sees nuclear power as the "key energy source." The government, the economic sector, and the power companies worked jointly, formulating long-term development plans. By the year 2000, Japan's nuclear power will account for 40 percent, as compared with the current 27.7 percent of national power generation.

India has announced the building of another 22 nuclear reactors by the end of this century. The ROK and our country's Taiwan Province began developing nuclear power in the mid- and late 1970's, respectively. By 1988, nuclear power accounted for about half the total power

generated in the ROK and Taiwan. Taiwan was able to halve its unit power price after it had successfully developed nuclear power.

News keeps arriving that Pakistan, Indonesia, the Philippines, and Thailand either are studying or are developing nuclear power plants. The trend of developing nuclear power plants in Asian countries is growing.

Meanwhile, nuclear technological sectors in Europe, the United States, and Japan have joined forces in researching a safer, cleaner, and more economical fast reactor that can use nuclear resources more efficiently. Developed countries also have intensified research into nuclear fusion, a study that might offer mankind unlimited energy.

By now there is no doubt that nuclear power will be the main source of energy in the 21st century. It is now a global consensus that countries which fail to attain nuclear energy will never become developed.

II. Nuclear Power: The Ideal Recipe for Economies Along the Southeast Coast To Get Out of the Impasse

Power shortages have become the "bottleneck" in our country's economic development—something the southeastern coast has felt most acutely. The region is reeling under the pressure of transportation bottlenecks and environmental pollution.

These transportation and environmental pressures all can be traced to the region's unbalanced energy structure.

Our country's coal energy is concentrated in the "three Xi's" (Shanxi, Shaanxi, and western [xi] Inner Mongolia), while 70 percent of its water resources come from the southeastern coastal region. Eighty percent of the electric power supply to the southeastern coastal region is generated from coal. The north and west supply the south and the east with coal. Forty-six percent of the rail freight on the Beijing-Shanghai and Beijing-Guangdong lines is coal for power generation purposes, and 30 and 26 percent of the freight traveling the busiest waterways and highways—again—is coal for power generation. This rate, however, is still far from meeting the demand. At one time, 40 percent of Jiangsu's state-managed generator units were shut down because they had run out of coal for power-generating purposes.

Coal-generated power is the engine of economic development, as well as the cause of high transport volumes and environmental pollution. A million-kilowatt thermal power plant each year releases tens of thousands of tonnes of toxic particles, such as sulphur dioxide and oxidated nitrogen, and hundreds of kilograms of such carcinogenic particles as mercury, cadmium, and trityl ditacene.

How can we solve the three great problems—energy, transportation, and environment—afflicting the southeastern coastal region? In the manner of curing the pathological sources of three diseases with one surgical operation, it would be ideal to have one kind of energy, with a one-time investment, benefiting all quarters. Beyond the

horizon of long-distance hydropower energy, people can catch a glimpse of nuclear power.

The advantage of nuclear power, compared with coal-generated power, is plain and obvious. A one-million kW water-pressurized nuclear reactor need change only 30 tonnes of fuel each year, one-100,000th of the transport volume required by a coal power plant of the same capacity, thus solving the transportation problem at one stroke. The environmental pollution caused by a nuclear power plant operated under safe conditions is practically negligible, its radiation release being smaller than that from a coal power plant of similar capacity. Therefore, Dr. Sieberg, a Nobel Prize-winning nuclear chemist, said on the occasion of the 50th anniversary of the nuclear fission of plutonium: "Nuclear energy is the safest and most environment-friendly source of electrical power."

As early as 1970, Premier Zhou Enlai said in a relevant debriefing session: We will have to rely on nuclear power if we want to solve the fundamental power shortage problem of Shanghai. Nuclear power has solved a wide range of problems for many places having large populations and rapid industrial development, but suffering from a shortage of energy resources. No doubt it will prove a good recipe for the southeastern coastal region of our country.

The advantages of nuclear power are very obvious. Our country has a relatively rich uranium resource sufficient for the development of nuclear power. In the process of developing nuclear weapons our country has fashioned a complete nuclear technological and industrial system ranging from mining and the fission of uranium isotopes to the production of nuclear-fuelled components, the design and construction of nuclear reactors, and the reprocessing of volt-amperes reactive fuel [fa ran liao hou chu li 0040 3595 2436 0683 5710 3810]. Our country has a 30,000-odd strong nuclear technological contingent, all members of which have been tested by decades of field work and are quite capable of hardship and working under pressure. Our country's infrastructural industry has experienced considerable development so that it can meet the needs of the development of nuclear power. Despite all this, nuclear power still plays a negligible part in our lives.

By the end of this September, the Taishan nuclear power plant, which now is operating steadily, had generated an accumulated total of 1.7 billion kWh of power. This, plus the total power volume generated by the two 900,000 kW generator units in the Daya Bay nuclear power plant up to the end of 1993 and mid-1994, respectively, has amounted to only about 1 percent of our country's total power generation.

We are late in starting; we missed the best time for development. On 28 February 1990, Qian Sanqiang, Li Jue, Jiang Shengjie, and Wang Ganchang wrote to Jiang Zemin and Li Peng, urging them to outline a long-term nuclear power development program, an action demonstrating the earnestness for the country and the people of these four highly decorated veteran scientists. Premier Li Peng replied to them on 30 April: "A plenary session of the State Council Leading Group for Nuclear Power Plants on

15 March this year confirmed that nuclear power has been incorporated into the national economic development program."

Today, coastal provinces such as Fujian, Zhejiang, Jiangsu, Shandong, Liaoning, and Hainan, as well as inland provinces like Sichuan, Jiangxi, and Hunan, all are submitting requests for the construction of nuclear power plants. The strategic task confronting us now is to speed up development in order to catch up. In August 1993, the China National Nuclear Industry Corporation centralized facilities and talents in the design and construction of nuclear projects and in equipment procurement and technological services, so as to establish the new China International Nuclear Power Engineering Group Company, to benefit from the advantages of group companies in the nuclear power market.

Although we are working hard to catch up, every step along the way has proved extremely difficult. The status and functions of nuclear power in our country's economic development have yet to be fully appreciated by decision-making departments. The state nuclear power management is unable to muster enough muscle to centralize leadership, which has become a major constraint on the development of nuclear power. The absence of assured financing through institutional channels also has affected nuclear power research and pursuits.

Nuclear power plants require a relatively large initial investment, and their success ultimately depends on safety guarantees and financing pledges. The two nuclear power plants slated to be built—in Guangdong and on the Bohai Bay in Liaoning—have been assured of meticulous designs, but will they get stable financial guarantees?

The development of nuclear power is a complicated systems-engineering project. Owing to the highly specialized nature of the intensive research and production of key installations, the production of matching equipment for designated projects, the supply of nuclear fuel, the reprocessing of volt-amperes-reactive fuel, the disposal of "three kinds of waste products," the determination of sites for the power plants, and arrangements for their retirement, the process of actual implementation requires highly centralized and unified leadership, and firm and efficient day-to-day management. Otherwise, nuclear power will not be able to display its advantages in freeing us from economic "bottlenecks." This is the eager wish of the majority of dedicated nuclear power workers and the true voice of countrymen eagerly hoping for a full power supply and never-ending light. Nuclear power, may your light and heat help push us out of "bottlenecks!"

Economic & Agricultural

Jiang Zemin Discusses Socialist Market Economy

OW1712211693 Shanghai JIEFANG RIBAO in Chinese
21 Nov 93 p 1, 3

[Jiang Zemin: "Step Up Dissemination of Basic Knowledge About Socialist Market Economy"—preface to "What Is Socialist Market Economy?"—dated 14 September 1993]

[Text] Beijing, 20 Nov (JIEFANG RIBAO)—The 14th National Party Congress specifically stipulated that the goal of China's economic structural reform is to establish a socialist market economic structure. Today, China is in an important period of transition from traditional planned economy to socialist market economy. This transition is arguably of epoch-making significance in the development of socialism. In the past, socialism meant practicing planned economy in economic structure. We scored quite a few achievements during the past several decades when we practiced planned economy. However, with changing circumstances, its drawbacks have become increasingly obvious. The policy of reform and opening up pursued since the Third Plenary Session of the 11th CPC Central Committee has produced results that have become a focus of world attention. The practice of reform tells people this truth: Once breaking away from past planned economic structure and allowing market mechanism to truly play a fundamental role in the allocation of resources under the state's macroeconomic control, socialist economy can radiate new life and vitality and enable our socialist system to fully display its superiority.

There are so many things to be done in the process of changing the economic structure. A most pressing task at present is to disseminate, as soon as possible, basic knowledge about socialist market economy among the vast numbers of cadres. Our cadres are fairly familiar with planned economy. However, things our cadres were accustomed to in the past are no longer applicable or completely applicable today, while many new concepts, knowledge, and approaches related to socialist market economy are still strange to them. Many comrades are even unclear about some of the terms and concepts in this regard. There is an old saying: "Good tools are a prerequisite to the successful execution of a job." We must make vigorous efforts in this regard, beginning from disseminating basic knowledge about socialist market economy. Unless we do so, we are apt to be in a situation in which while we are talking about socialist market economy we continue to practice planned economy as we did in the past, or else we mistakenly take socialist market economy we intend to build as practicing capitalism. Unless we pay enough attention to this issue, we may take a roundabout course and get half the result with twice the effort in the course of building a socialist market economy.

To acquire knowledge about socialist market economy, we must first deepen the study of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and 14th National Party Congress documents to profoundly understand and comprehensively grasp the party's basic line and its historic tasks in the primary stage of socialism. From this foundation, we can truly find the basic concept and theory of socialist market economy. Capitalist countries have many successful experiences and reasonable approaches in developing the market economy, which reflect the general law of the market economy and the inherent demands of modern socialized mass production. We can and should work hard to learn and borrow this common wealth of mankind.

Our cadres at all levels, particularly leading cadres at and above the county level, can seize the initiative to successfully carry out economic work in the new period only by earnestly studying the theory of building socialism with Chinese characteristics, acquiring the basic knowledge about socialist market economy, and grasping the law governing the development of market economy.

Socialist market economy is a great school, and so we must all consciously enter this great school to study. We are shouldering a great historical mission. We should study again and again under the guidance of Marxism, study in the course of practice, and make progress in the course of our study. We should constantly proceed from the realm of necessity [bi ran wang guo 1801 3544 3769 0948] to the realm of freedom [zi you wang guo 5261 3945 3769 0948] and from victory to new victory and persist in this way from generation to generation until the eventual realization of communism. We should be good at study. This is precisely the strong point of communists, and this is why we communists can overcome all kinds of difficulties and forever keep our vitality. In the years of the Democratic Revolution, we just like what was said by Comrade Mao Zedong, "learned how to fight through battles." Today, we are learning reform in the course of carrying out reform and learning socialist market economy in the course of practicing socialist market economy. Up until now, socialist market economy has only been practiced under the capitalist system. How to practice market economy under the socialist system is an unprecedented cause, and we have no existing experience to learn. In changing from a planned economy to a socialist market economy, we must know how to effectively link and change the two different economic structures. There are many complicated situations which should be studied by us and many conspicuous contradictions which should be solved by us. Therefore, it requires creativeness. Our cadres at various levels must not only know the basic theory and general knowledge of market economy but also know how to apply them under China's specific situation and know their special characteristics. Accordingly, we must go deep into reality, persist in making investigation and study, and be good at discovering and summing up various beneficial experiences gained and created by the broad masses of people in the course of carrying out reform.

In the course of changing the economic system, there will always be some conflicts of interests, some loopholes in our work, and even some confusions due to various reasons. We must be mentally prepared for those things. Regardless of contradictions and problems, we must firmly proceed along the road of socialist market economy. There will be no way out if we go backward. The important thing is that we should do our best to shorten the course of this arduous change of system and to keep the possible price for the change to a minimum. Whether we can do this or not will be a new test and trial for our leading cadres at various levels. It is sincerely hoped that everyone can pass this test. We can be assured that so long as comrades of the whole party and the broad masses of cadres can be good at study and have courage to practice, we can certainly establish and perfect the new economic system, we can certainly

further liberate and develop the social productive forces of our country, and we can certainly train and cultivate a large number of capable people who can have a mastery of the socialist market economy in a prompt manner.

To complete the current important and urgent task of study, I suggested that the State Council's Development Research Center and the Chinese Academy of Social Sciences arrange the compilation of the book "What Is Socialist Market Economy?" by concerned comrades. It is hoped that this book can play a positive role in popularizing the basic knowledge of socialist market economy. It is also hoped that cadres at various levels will further study a number of important issues and viewpoints put forward by this book in light of their own practical experience and supplement, revise, enrich, and improve this book.

State, Regions To Divide Reform Responsibilities

HK1812042193 Hong Kong TA KUNG PAO in Chinese
14 Dec 93 p 2

["Special dispatch" by staff reporter He Sui-i (0149 4482 1837): "State Commission for Restructuring the Economy Is Planning Urban Reform; Microscopic Reform Will Be Considered by Localities"]

[Text] Guangzhou, 13 Dec (TA KUNG PAO)—A personality from the Guangdong Provincial Commission for Restructuring the Economy disclosed that the State Commission for Restructuring the Economy [SCRE] recently made the following arrangements for the reforms in cities throughout the nation where comprehensive reforms have been carried out on an experimental basis: On the macroscopic scale, the central authorities are to make uniform designs and promulgate uniform measures without prior experimentation. On the microscopic scale, localities may think for themselves.

This decision was made because it is easy to draw on international experience in macrostructural reforms, while no ready precedents can be used for reference in microscopic reforms. The SCRE pointed out that localities should learn how to let the macroscopic reforms—with the microscopic reforms and in accordance with the macroscopic reform measures—do a good job in the transition and dovetailing between the old system and the new, and coordinate their reform proposals with the spirit of the Third Plenary Session of the 14th CPC Central Committee so as to demonstrate their own characteristics.

Informed sources of the provincial commission for restructuring the economy said: Currently there is controversy over the national property management system. Some suggested that there be a supervisory mechanism and organizational guarantee for the management and operation of national property. However, under the present situation whereby the government functions are yet to be defined, if a massive management system is to be set up, will new "renamed companies" result? The majority opine that it is necessary to establish a national property system at three levels—the national property management committee, the intermediary operation company, and the enterprise—but they do not approve of the practice of

party committees managing national property because they think the party committee is a supergovernment organ.

As for another issue closely related to the development of the market system, the SCRE listed three tendencies that call for attention. First, the rush to set up markets with nothing but quantity in mind should be prevented. Second, the establishment of futures markets should be cooled down, as the authorities do not want to see reckless haste. The SCRE pointed out that the futures market is a product of the mature stage of the market economy, and it will not be found everywhere, even in the future. Third, with reference to the proposals submitted by all the experimental cities for the setting up of stock exchange centers, the SCRE said in no uncertain terms that "their expectations probably are too high," so the chance is slim.

State Sets Rules on Firms Awarding Bonus Shares

OW1812070793 Beijing XINHUA in English 0605
GMT 18 Dec 93

[Text] Beijing, December 18 (XINHUA)—The China Securities Regulatory Commission (CSRC) has promulgated a set of provisional regulations on listed companies' awarding of bonus shares, to ban illegal operations in this field.

According to the rules, a listed company may only announce the awarding of bonus shares 12 months after the latest offering of its stocks, and the amount of such shares must be under 30 percent of the existing common shares.

CSRC spokesman Zhu Li said on Friday [17 December] that the limit of 30 percent was only a transitional measure. Currently, he added, the percentage is sizable for listed companies.

The spokesman also said that the development and expansion of the stock market should be in line with the country's macro economic environment and the process of the reforms on the management of state owned property. A "proper control of the market expansion will help to protect medium-sized and small share holders," Zhu said.

The new rules also order companies to inform the stock exchanges of their bonus share distribution plans within two working days after obtaining approval from the board of directors, and to publish them in newspapers nominated by the CSRC within seven days.

Bonus issues of B-shares must only be awarded in accordance with the relevant regulations.

Zhu noted that more detailed regulations are expected after the promulgation of the companies law and securities law.

He pointed out that since China's securities business is now eyeing the international market, currently the most important thing is to guarantee shareholders' legal interests.

Interim Enterprise Income Tax Regulations

OW1712005993 Beijing XINHUA Domestic Service in Chinese 0400 GMT 14 Dec 93

[Text] Beijing, 14 Dec (XINHUA)—The Interim Regulations of the People's Republic of China on Enterprise Income Tax:

Article 1. Enterprises within the territory of the PRC, except for foreign-invested enterprises and foreign enterprises, shall pay enterprise income tax on income derived from their production and business operations according to these regulations.

Income derived from enterprises' production, business operations and, other sources includes that originated from within and without the territory of the PRC.

Article 2. The following enterprises or organizations which practice independent business accounting are enterprise income tax payers (hereafter referred to as taxpayers):

1. State-owned enterprises;
2. Collective enterprises;
3. Privately owned enterprises;
4. Jointly run enterprises;
5. Joint-stock enterprises; and
6. Other organizations with incomes derived from production, business operations, and other sources.

Article 3. Taxpayers' taxable amount, shall, in accordance with taxable income calculations, be subject to a 33-percent tax rate.

Article 4. The taxable income of taxpayers shall be the excess of their gross income in a tax year over their permissible deductible costs and other expenses.

Article 5. Taxpayers' total income includes:

1. Income from production and business operations;
2. Income from the transfer of property;
3. Income from interest;
4. Income from leases;
5. Income from royalties;
6. Income from dividends; and
7. Other income.

Article 6. In computing taxable income, permissible items of deductions refer to costs, expenses, and losses in connection with the income-earning activities of taxpayers.

The following items are deductible in accordance with stipulated limits and norms:

1. Interest on loans from financial institutions paid by taxpayers in the course of production and business operations shall be deducted according to the amount actually incurred. Interest on loans from nonfinancial institutions not higher than that charged by financial institutions on the same category of loan for the same period shall be deductible.

2. Wages paid by taxpayers to their staff and workers shall be deducted on the basis of their taxable wages. Specific standards for taxable wages shall be set by the people's

governments of the concerned provinces, autonomous regions, and municipalities directly under the central government within the limits set by the Finance Ministry and shall be filed with the Finance Ministry for the record.

3. Taxpayers' outlay for their workers' trade union funds, welfare funds, and education funds shall be deducted on the basis of 2 percent, 14 percent, and 1.5 percent, respectively, of their total taxable wages.

4. Taxpayers' donations to charities and relief funds shall be deductible up to 3 percent of their annual taxable income.

Apart from provisions under Section 2 of this article, other items may be deducted in accordance with the provisions of the law, the administrative laws and regulations, and other taxation provisions of the state.

Article 7. When computing taxable income, the following items are not deductible:

1. Capital outlay;
2. Spending used in the transfer and development of intangible assets;
3. Fines for illegal operations, and losses incurred through confiscation of property;
4. Overdue fines for various tax revenues, other fines, and penalties;
5. Compensated portions of losses resulting from natural disasters or other accidents;
6. Donations to charities and relief funds in excess of deductions permitted by state provisions, and donations of a noncharitable and nonrelief nature;
7. Spending on various types of sponsorships; and
8. Other nonincome related expenditure.

Article 8. The preferential tax policy shall be applied to the following taxpayers:

1. Enterprises in autonomous regions of minority nationalities that need care and encouragement may be given tax deductions over a fixed period or exemptions as approved by provincial people's governments;

2. Tax deductions or exemptions as provided by the law, by administrative laws and regulations, and by the State Council shall be implemented accordingly.

Article 9. If taxpayers, when computing their taxable income, find that their methods of handling finances and accounting contradict provisions governing relevant state revenue, they should compute and pay taxes in accordance with the relevant state provisions on tax revenue.

Article 10. When conducting business dealings with their related enterprises, taxpayers shall follow the practice between independent enterprises to collect or make payments and defray expenses. Tax organs are entitled to make reasonable adjustments in case of a failure to comply with such practices aimed at reducing the taxable amount.

Article 11. When taxpayers suffer a loss in a certain year, they may offset it with the income for the following tax year; in case the income for the following tax year is

insufficient to cover this, they may continue to offset the loss from year to year. However, such an offsetting exercise shall not continue for more than five years.

Article 12. In case income is derived from outside China, with the income tax amount having been paid outside of country, taxpayers may be permitted, while remitting the overall tax payment, to deduct such income from the taxable amount; however, the deducted amount shall not exceed the taxable amount on income outside the country as provided under these regulations.

Article 13. When taxpayers carry out their liquidation according to the law, the income derived at the end of the liquidation shall be subject to the enterprise income tax according to these regulations.

Article 14. Unless otherwise stipulated by state provisions, the enterprise income tax shall be payable by taxpayers at the tax organs where they are located.

Article 15. The enterprise income tax shall be paid on a yearly basis with monthly or quarterly prepayments. Prepayment may be made within 15 days from the end of the month or the quarter concerned, and the annual payment shall be cleared within four months at the end of the year concerned. Any overpayment shall be refunded, while an underpayment must be made up.

Article 16. Taxpayers shall, within 15 days from the end of each monthly or quarterly period, submit their statement of accounts and income tax returns to tax organs where they are located; and within 45 days from the end of the year, submit their statement of accounts and tax returns to the tax organs where they are located.

Article 17. The collection and management of the enterprise income tax shall be conducted in accordance with the "Law of the PRC on Tax Collection and Administration" and the provisions of these regulations.

Article 18. The enterprise income tax for finance and insurance enterprises shall be paid according to the relevant provisions.

Article 19. The Finance Ministry shall be responsible for interpreting these regulations, and it shall formulate the detailed rules for implementation.

Article 20. These regulations shall take effect on 1 January 1994. The "Income Tax Regulations (Draft) of the PRC on State-Owned Enterprises" and the "Procedures Governing the Collection of Regulatory Taxes From State-owned Enterprises" promulgated by the State Council on 18 September 1984 and the "Interim Regulations of the PRC on Collective Enterprise Income Tax" promulgated on 11 April 1985, and the "Interim Regulations of the PRC on Privately Run Enterprise Income Tax" promulgated on 25 June 1988 shall be revoked on the same day; and the procedures of the State Council governing income tax contracts by state-owned enterprises shall be suspended at the same time.

Machine Building Vice Minister Discusses Growth

Forecasts Growth for 1994

HK1712144393 Beijing ZHONGGUO XINWEN SHE
in English 1325 GMT 17 Dec 93

[Text] Beijing, December 17 (CNS)—Based on a rapid rise this year, China's machinery industry will grow at the same pace as national industry next year with the continuance of a trend of faster growth. The gross industrial output value will increase by between 12 and 15 percent calculated on the actual value registered this year. The Vice Minister of Machine-building Industry, Mr. Sun Chanji, gave this prediction today.

Planned growth in the GNP set for next year is nine percent, according to Mr. Sun while the increased value of industry is expected to be 12 percent with the gross industrial output value rising by 15 percent.

A large batch of technological equipment and electro-mechanical products used by the machinery industry will be required for a number of key projects set for next year, especially those involving the exploitation of energy, transport, metallurgy and raw and processed materials, the increased input into agriculture and the rural economy as well as for the rapid rise of rural enterprises and tertiary industry. Furthermore, as China's opening to the outside world widens with greater development, plus the fact that the world economy will recover at a quicker pace than seen this year, a promising international market for the machinery industry is predicted. All these factors are advantageous to China's machinery industry. Some restrictive factors including a shortage of capital, energy, raw and processed materials, transport strains and a rise in the price of energy will, however, have adverse impacts on the machinery industry at home.

Speaking at a press conference, Mr. Sun said that the machinery industry had seen growth of over 30 percent since last year and up until the first half of this year. The year-round industrial value is expected to be more than RMB [renminbi] 300 billion this year based on constant 1990 prices, a gain of 23 percent over last year. The sales revenue is valued at RMB 330 billion, over 30 percent up from last year while profits are put at RMB17.4 billion or a rise of 28 percent while profits taxes are RMB 32.5 billion, an increase of 30 percent over last year.

Discusses Vehicle Production

HK1712145793 Beijing ZHONGGUO XINWEN SHE
in English 1326 GMT 17 Dec 93

[Text] Beijing, December 17 (CNS)—Vice Minister of Machine-building Industry, Mr. Sun Changji, said today that China planned to produce 1.3 million cars next year including 150,000 small- and medium-sized sedans. The gross output value earned by this industry is predicted to increase by ten percent.

According to Mr. Sun, demands in the country's car market since late June this year has turned from being

overheated to normal as a result of the state's strict control over investment in basic construction and the scale of bank credit as well as the decrease in the purchasing of cars for officials. The production and sales of such products in the third quarter this year saw an obvious drop while their stockpiling increased. Such a bad situation in this sector in the fourth quarter is worsening...however, the output for the whole year is still expected to reach 1.1 million cars and the stockpiling of these products will remain at the monthly production level on average.

The vice minister revealed at a press briefing held today that the country would relax restraints to a great extent on the purchase of cars because of public demand next year and the demand for domestically-made sedans would increase. By the end of this year, the country would have a total of about 8.2 million cars with one million of them ready to be scrapped and 250,000 replacements in the coming year.

China turned out over 160,000 small-sized sedans last year while the number of such cars made this year will be 230,000 and those imported over 100,000.

State Handles 50,000 Economic Crime Cases in 1993

OW2012142393 Beijing XINHUA in English 1359
GMT 20 Dec 93

[Text] Beijing, December 20 (XINHUA)—Procuratorates nationwide have handled a record 50,000 economic criminal cases so far this year.

Nearly half of them were cases of bribery or embezzlement involving more than 10,000 yuan (about 1,600 U.S. dollars) each.

This was revealed by Zhang Siqing, procurator general of the Supreme People's Procuratorate, at the closing session of a National Conference of Procurators here today.

One out of ten of the culprits was a Communist Party or government official, including a vice minister, 46 department-level officials and 847 county-level officials, Zhang said.

He noted that this was one aspect of the achievements made in China's anti-corruption drive.

This year the country's procuratorates at all levels have focused on investigating criminal activities in party and government organizations, judicial bodies, administrative organs and economic management sectors, according to Zhang.

He said that 1,630 staff members of the judicial sector have been booked for investigation.

The top procurator admitted that the anti-corruption drive has been encountering "obstruction", since some heads of departments and local governments take it as an obstacle to economic development.

However, he pledged a continued crackdown on corruption, adding that in 1994 procuratorates will concentrate

on what he called "major and important cases" involving party and government officials, and officials in other sectors.

Scholar on 'Strong Market-Oriented Government'

HK1612112493 Chengdu GAIGE SHIBAO in Chinese
No 503, 26 Nov 93 p 1

[By Yu Donghui (0151 2639 2547): "Wang Yizhou Says Modernization Requires a Strong Market-Oriented Government"]

[Text] "All governments of industrialized countries which have risen recently are inevitably powerful governments; that is, they are strong politically and economically. Such 'power' must be based on marketization and depends on its ability to suit the law of a modernized market economy, operate within the market economy framework, and bring further growth to the market economy."

Wang Yizhou, doctor of Social Sciences of the Chinese Academy of Social Sciences, made the above remarks with an assured air when talking about government roles in a country's social and economic development today.

Wang Yizhou, who is 36 this year, once labored as an "intellectual youth" in Hubei's Zhongxiang County in the mid 1970's. He was admitted to the Wuhan Teachers College in 1977 after China resumed its nation-wide college entrance examination. During the period from 1982 to 1988, he obtained his Master and Doctoral degrees in jurisprudence in the Chinese Academy of Social Sciences. In the past, he focused on the political and economic systems of the Soviet Union and Eastern Europe. In recent years, he has mainly engaged in studies of international politics and international relations and is currently working on a book entitled *An Analysis on Contemporary International Politics*.

Wang Yizhou pointed out that five major trends will prevail in the international situation in the coming several years: 1) contradictions existing between the East and the West will be alleviated and the possibility for a world war will continue to diminish; 2) contradictions between the South and the North—not only economic contradictions but also cultural, religious, and nationality ones—will become more prominent and acute in both old and new forms; 3) competition between western advanced countries will intensify; 4) the trend of separation and combination which coexist without coming into conflict will emerge; that is, an intriguing merge of the marketization of the economy, the tide of internationalization and nationalism, and intensified religious sentiment; and 5) international organizations, especially the United Nations, will play a greater role in international affairs.

Judging by the favorable factors in China's neighboring environment, Wang Yizhou believed that the Asian-Pacific region would maintain a strong economic development momentum in the coming 10 to 20 years, which will eventually spread toward China. Moreover, China's improved relations with its neighboring countries as well as the turbulence in and disintegration of the former Soviet

Union have given China many opportunities. The international situation will continue to impose certain pressures on China, however.

What should China do to adapt itself to the above situation in the course of reform, opening up, and economic development? Wang Yizhou pointed out that a wise government should be good at making use of opportunities and greeting challenges. Whether China can maintain its political stability in the coming 10 to 20 years depends on whether it can uphold the reform orientation of marketization. To successfully adapt China to the integrated global economy and the trend of marketization, what counts is putting standard international practices and commercial languages into popular use.

Wang Yizhou elaborated that China's reform has entered the third phase, during which the country will carry out monetary structural reform and clarify enterprise property rights related to reform, will install a central bank system, and will set up swap, stock, and securities markets. At this crucial point, what is facing China today is considerably different from what China was facing 15 years ago when reform had just begun. Another important factor is the tight operation of resources: China has a large population but less usable land and suffers from a relatively inadequate supply of resources. On the other hand, the common people have bigger expectations these days. Various pressures have urged the government to speed up the pace of economic development, yet, at the same time, they have also brought about many contradictions and problems, such as the "bottleneck" effect in the supply of resources and the stagnant growth of agricultural production. All these have put forward high demands for government policies and the quality of leaders.

Wang Yizhou believed that China's modernization drive requires a powerful market-oriented government. Such "power" should be exercised under the prerequisite of giving full play to the enthusiasm and initiative of localities, enterprises, and individuals and should be embodied not only by political stability but also by a strong economy. The government can intervene in the economy, even at a deep level, yet the intervention must conform to the principle of the market and must benefit the cultivation of the market economy.

Wang Yizhou pointed out: the power of the government can also be embodied by its adaptability to changes in the international community and by its ability to emulate and take for reference the strong points of others. He indicated: When developing the economy, it is better for us to emulate, use for reference, and even copy publicly recognized successful and mature practices and experience rather than deliberately create things; through the practice of dozens of years—or a hundred years—the experience of others will naturally bear Chinese characteristics.

This young scholar also pointed out that China's accomplishments in reform and opening up over the past 15 years are also the result of advanced experience and technical diffusion of foreign countries; moreover, China's reform and opening up itself is also fanning out westward

from the east in a ladder-shaped form. When the consumption market in eastern advanced regions are saturated, funds will inevitably flow toward less advanced regions, and such outflows at different levels will naturally bring development to less advanced regions. By such a practice, there is no need to reduce the income of rich areas in favor of the poor through administrative means.

Lastly, Wang Yizhou stressed that, if China can really advance in the direction pointed out by Deng Xiaoping during his inspection of southern China last year, seize favorable opportunities, pay attention to self development, refrain from engaging in disputes, and strive to promote its economy wholeheartedly, China will undoubtedly become an economic power that occupies a decisive position in the world in 10 or 20 years' time.

Zhu Rongji Urges Controlling Grain Prices

OW2012161793 Beijing XINHUA in English 1436
GMT 20 Dec 93

[Text] Hefei, December 20 (XINHUA)—Zhu Rongji, one of the top Chinese leaders, has urged here that the prices of grain must be brought under control and market prices stabilised.

Zhu, who is a member of the Standing Committee of Political Bureau of the Central Committee of the Communist Party of China (CPC) and vice-premier of the State Council, revealed that the CPC Central Committee and the State Council, China's supreme governing body, have made all-round arrangements for taking effective measures to quickly bring the prices of grain under control so as to guarantee the stability of the market.

He said that the State Council has decided to sell the state reserves of grain in stages. State-owned grain shops will sell grain at lower prices so as to make the prices of grain drop to a rational level as soon as possible.

From now until the day before the Spring Festival, which will fall on February 10 next year, Zhu stressed, the departments of railways, communications and transportation should give priority to the transportation of grain, cooking oil and non-staple food. Meanwhile, he said, it is necessary to publicize the good situation in grain production and purchase this year to dispel any misgivings.

Zhu said that the central government believes that with coordinated action of all local party committees and governments on the basis of unified understanding, the prices of grain in the market will soon be brought under control.

Zhu made these remarks during a one-week inspection tour of Anhui Province, east China, which concluded here today.

Accompanied by local party and government leaders Lu Rongjing and Fu Xishou, vice-premier Zhu inspected a rice wholesale market in Wuhu City, a vegetable market in Fanchang County and a tea market at E'Qiao Town. He also visited some villages, farmers' families and grain supply centers.

Seeing that in some areas the prices of grain are rising and some urban residents are rushing to purchase household electric appliances and other consumer goods, Zhu pointed out that China has reaped a good harvest of grain this year—more than that of last year. The pace of state purchase of grain throughout the country is not slower than that of last year, and there is no problem in balancing demand and supply. The national reserve of grain is sufficient and is at an all-time high. Therefore, the rise in grain prices since November this year is abnormal and temporary and it was stirred by psychological factors, he explained.

Zhu attributed the current price hike to the following three factors: First, following the decision of the recent national conference on rural work to raise the prices of purchased grain next year, some farmers are hoping to make greater profits and are trying to hold their grain until price rises. Second, some leading officials, particularly those in the grain departments, are not prepared ideologically for taking emergency measures to bring the production, purchase and sale of grain under control after lifting restrictions on the grain market and grain prices. Third, a few people have misunderstood the programs of reform to be made public next year. They thought that the reform of the taxation system would increase the tax burden on enterprises and push up prices.

Zhu stressed that bringing the prices of grain under control, stabilize market prices and make appropriate arrangements for market supplies during the coming New Year Festival and the Spring Festival is the key to guaranteeing the reform programs are smoothly implemented next year.

In order to ensure the implementation of the decision made by the Third Plenary Session of the 14th CPC Central Committee and to maintain a good environment for carrying out the reform, Zhu emphasized, party committees and governments at all levels should conscientiously carry out work of regulating and stabilizing the market.

After analyzing the current economic situation in the country, Zhu said that the measures of the CPC Central Committee and the State Council for macro-control of the economy have produced encouraging and positive results. However, he added, some prominent contradictions and problems in the national economy have not been solved yet. They mainly include excessive investment in fixed assets, too much money still in circulation and the pressure of inflation.

He warned that the current fluctuation of grain prices is a signal which must not be ignored. He pointed out that some people are fond of starting new projects and doing things on too large a scale, but they care little about the reform and the people's livelihood. Such a tendency should be checked, he stressed.

East Region

Jiangsu Secretary Discusses Ideological Awareness

OW1712140593 Nanjing Jiangsu People's Radio
Network in Mandarin 2300 GMT 30 Nov 93

[From the "News" program]

[Text] The Jiangsu Provincial Party Committee called a meeting yesterday [30 November] to relay guidelines laid down by the national conference on organizational affairs and to study ways and means to heighten the ideological awareness of leading bodies in the province and improve their work style under the new situation.

Chen Huanyou, secretary of the provincial party committee, delivered an important speech at the meeting. He pointed out: We must earnestly implement the guidelines laid down by the Third Plenary Session of the 14th CPC Central Committee, and continue to strengthen the party's leadership and properly build up our party organizations, especially their leading bodies, so that organizationally we can provide reliable guarantee for establishing a socialist market economic system and speeding up the modernization drive.

Chen Huanyou stressed: Heightening the leading bodies' ideological awareness and improving their work style is an important guarantee for the party's basic line being followed in all fields, and for achieving reform programs and construction projects set for the 1990's, it is essential for consolidating the party's ruling status, and it is an urgent task for improving the overall quality of leading bodies.

Chen Huanyou continued: To heighten leading bodies' ideological awareness and improve their work style, we must pay special attention to accomplishing tasks in five areas:

First, we must energetically encourage theoretical study so that the minds of leading cadres at all levels can be armed by the theory of building socialism with Chinese characteristics. Leading cadres at all levels, especially party and government leaders at and above county levels, must follow the requirements set by the Central Committee and the provincial party committee and earnestly study the Volume 3 of the *Selected Works of Deng Xiaoping*, as well as the guidelines laid down by the 14th party congress and the Third Plenary Session of the 14th CPC Central Committee.

Second, we must earnestly implement the party's democratic centralism so that our leading bodies can become more united. We must uphold collective leadership. All major issues must be decided collectively and handled strictly in accordance with decision-making procedures.

Third, we must combat corruption and other negative phenomena so that the party can forge closer ties with the people.

Fourth, we must insist on doing genuine and practical work. Party committees and governments at all levels must

free themselves from complex daily routines and focus attention on handling important issues and doing practical work.

Fifth, we must devise effective measures whereby all requirements set for leading bodies to heighten their ideological awareness and improve their work style can be fulfilled. Party committees at all levels must define responsibilities for members of leading bodies to fulfill. Top leaders must set examples for others to follow. Basic rules governing theoretical study, collective leadership, fight against corruption, ethical conduct, close ties with the masses, democratic party life, and report of major personal issues must be established or improved.

Cao Hongming, deputy secretary of the provincial party committee, chaired the meeting.

Xu Zhonglin, member of the standing committee of the provincial party committee and head of its organization department, relayed the guidelines laid down by the national conference on organizational affairs.

Hu Fumin, Gu Hao, and Gao Dezheng, members of the provincial party committee standing committee; secretaries of the municipal party committees and heads of their organizational affairs departments; principal responsible persons of all departments and committees of the provincial party committee; secretaries of party groups of various provincial committees, offices, departments, and bureaus; and responsible comrades of large provincial enterprises attended the meeting.

Shandong Sends Cadres to Grass-Roots Units

SK1912061593 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 18 Dec 93

[Text] The provincial party committee sponsored a work conference at the Nanjiao Guest House of Jinan on 18 December regarding the selection and transfer of cadres from the provincial level organs for the seventh cadres' group that will be dispatched to grass-roots level units.

Since 1985 the party and government organs at or above the county level have dispatched more than 100,000 cadres to grass-roots level units. Cadres for the seventh group will be selected or transferred from provincial level departments, provincial establishments, economic organizations with administrative functions, and some central units stationed in the province. The province will select about 1,000 cadres from 145 units for the seventh group. Of these cadres, 40 are from departments or bureaus and 200 are from sections. Cadres in the seventh group will be dispatched respectively to 47 counties of eight cities and prefectures of Zaozhuang, Dongying, Jining, Dezhou, Qingzhou, Linyi, Heze, and Liaocheng, which are covered by the province's financial project and the project of conducting the pilot work of opening up. The cadres' assignment will last for one year and a half.

During the conference Li Wenquan, deputy secretary of the provincial party committee, delivered a speech in which he pointed out: A success made in the work of dispatching cadres to grass-roots level units in the new

historical period is favorable for promoting the implementation of the party's basic line at the grass-roots level, favorable for urging the subdeveloped areas to eliminate their poor outlook and to become wealthy so as to accelerate the economic prosperity in the province as a whole, favorable for promoting the leading organs to change their work style and to tighten the ties between the party and the mass and between cadres and the masses, and favorable for training cadres and having cadres improve themselves in work so as to train a large number of outstanding talented personnel. Major tasks for the cadres' group are to help subdeveloped areas eliminate their poor outlook, become wealthy, develop the economy, and eliminate financial subsidies as soon as possible. The provincial party has decided that in dispatching cadres to grass-roots level units this time, the style of having dispatched cadres sign a contract with villages and enterprises will be turned into that of having them work chiefly in counties and townships because the working range in counties and townships is wide, and the range influenced by counties and townships is also wide. Thus, these dispatched cadres are able to bring their intelligence and wisdom into full play while working at county and township levels. The seventh group of cadres will report to the assigned posts before 1 March 1994.

Shandong Holds Conference on Finance, Tax Reform

SK2012043493 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 17 Dec 93

[Text] On the evening of 17 December, the provincial government held a telephone conference on industrial, communications, financial, and trade work to further make arrangements for implementing the general rules for the financial affairs of enterprises and the standards for enterprise accounting and coordinating the implementation of the contract system with the reform of the tax system.

The conference pointed out: We are now in a new stage for comprehensively speeding up and supporting reform. All levels, all departments, and enterprises should fully understand the new situation of reform and grasp favorable opportunities to speed up the pace of development. As of the end of this year, the majority of the local state-owned enterprises across the province have completed their second round of contracts. Thus, achieving the coordination of the contract system with the reform of the tax system and the transition from the contract system with the reform of the tax system is an urgent task at present. We should positively attend to the fulfillment of the contracts, positively promote the reform of various management forms, appropriately distribute profits between the state and the enterprises, define policies, and solve the problems relating to financial affairs.

The conference also reported on the situation in which the province studied and implemented the stages preceding the new financial and accounting system and also urged that we should continue to extensively and deeply disseminate the reform of the financial and accounting system,

perfect the enterprise financial affairs management system, conscientiously implement the general rules for the financial affairs of enterprises and the standards for the accounting of enterprises, and exert great efforts to solve difficulties cropping up in the course of implementing the new system. We should work out encouragement policies to ensure the implementation of the new financial system. Simultaneously, we should achieve the coordination of the financial and tax system reform and the contract system and further strengthen enterprises' reserve strength for development.

Chen Jianguo, standing committee member of the provincial party committee and vice governor of the provincial government, attended and addressed the conference. Present at the conference were responsible comrades of the provincial economic committee, the provincial financial department, the provincial-level departments concerned, the city and prefectural administrative offices, economic commissions, and financial commissions, and some state-owned large- and medium-sized enterprises.

Central-South Region

Guandong City Establishes Advisory 'Thing Tank'

HK1612032293 Beijing ZHONGGUO XINWEN SHE in English 1136 GMT 14 Dec 93

[Text] Guangzhou, December 14 (CNS)—A think tank designed to offer advice regarding decision-making by the Guangzhou municipal government was set up yesterday.

The consultative body headed by the secretary-general of the municipal government, Mr Chen Jixuan, is made up of over 20 experts and scholars both in the Mainland and abroad who have valuable experience in decision-making, are mentally sharp and have high scholastic achievements.

This supportive body will offer suggestions and schemes in the process of reaching decisions for overall, long-term and comprehensive strategic planning and research on the city's economy, science and technology, social development, reform and opening to the outside world.

Guangdong's Guangzhou To 'Lead' in Market Reform

OW1712080093 Beijing XINHUA in English 0735 GMT 17 Dec 93

[Text] Guangzhou, December 17 (XINHUA)—Guangzhou, one of China's earliest open cities in the 1980s, will take another lead in introducing full market mechanisms and maintain its status as the center of economic activities in south China.

The economy of the city has been developing at an annual growth rate of 20 percent since 1979 when China first opened to the outside world.

Li Ziliu, the city's mayor, said Guangzhou will push its economy to a full market system in five years' time and take one more decade to bring about modernization.

A series of corresponding programs will be implemented to ensure free flow of commodities, capital, technology, personnel and information.

Continuing to be the financial hub of south China, Guangzhou is trying to break away from the highly centralized financial system and form commercial and shareholding banks. As part of the reforms, it will set up markets for currency, securities, foreign exchange, gold, futures and insurance.

The city encourages local financial institutions to open branches abroad and welcomes foreign agencies. Now there are 37 foreign-funded bank branches and 22 representative offices in Guangzhou.

In agriculture, the city government set emphasis on developing high-quality vegetables, fruits, animal husbandry and aquatic products.

Guangzhou farmers, about half of the city's population, turned out 5.9 billion yuan (1 billion U.S. dollars) worth of products in 1992, a rise of nearly 13 percent over the previous year. The total output value of agriculture is expected to reach 6.7 billion yuan (1.2 billion U.S. dollars) this year.

Meanwhile, the city government will give township enterprises preferential policies in taxation and employment to help them shift from labor intensive factories to technology and capital intensive shareholding companies.

In 1992, township enterprises in Guangzhou had an output worth 18.4 billion yuan (3.2 billion U.S. dollars), an increase of 67 percent over the year before. This year the total output value will reach 29.1 billion yuan (5 billion U.S. dollars). The figure by the year 2005 will jump to 140 billion yuan (24.5 billion U.S. dollars), according to the long-term plan.

In a southeast suburb of the city, a 200-square-kilometer area has been earmarked to develop new and high technology and service industries.

Among the six planned development zones, the Tianhe Zone is aimed at biological techniques, electronics and other new and high-tech fields. With more than 800 registered companies, the state-approved zone had an output worth 800 million yuan in 1992, which is expected to rise to 1.5 billion yuan this year.

Guangzhou will also renovate old city buildings, relocate severely polluting factories, and deal with urban housing and traffic problems.

The building of an 18.4-kilometer subway will start at the end of the year to be completed in 1998. Now the construction of a second underground line is under discussion.

Between now and the year 2,000, the city will pump 35 billion yuan into road and bridge projects, including the subway.

The Pearl River, winding its way through the city, is to be turned into a beautiful ribbon of leisure in the busy metropolis. Its banks are soon to be landscaped, embellished with sculptures.

A new 6.3 square kilometer district is planned with a 140-story twin skyscraper as its symbol. It will become a center for finance, business, recreation and administrative management.

Guangdong's 'Mobile Population' Exceeds 10 Million

HK1912063093 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0934 GMT 17 Dec 93

[Text] Guangzhou, 17 December (ZHONGGUO TONGXUN SHE)—At present, the mobile population seeking employment in Guangdong has topped 10 million. How to deal with public security problems caused by this group and how to impose comprehensive management over this "contingent of 10 million laborers" has become an urgent social issue for Guangdong.

According to statistics provided by public security organs, over 7 million people have obtained "permits for temporary residence" in all parts of Guangdong Province, while over 3 million are seasonal laborers scattered throughout both urban and rural areas across the province. This "10-million-member army" coming from other Chinese provinces has played a positive role in bringing about Guangdong's high-speed economic development. But at the same time, it has turned Guangdong into one of China's most populated provinces. Due to a failure in imposing proper management, the mobile population has also exerted a negative effect on the social life of Guangdong's urban and rural areas. At present, over 50 percent of criminals seized in Guangdong come from outside the province, and the figure is as high as 70 or even 80 percent in economically advanced areas.

At a symposium yesterday on the management of mobile population coming from outside Guangdong, principal leaders of the government departments concerned stressed the need to establish and perfect the management structure at all levels, and to draw up a number of workable management regulations with an aim to impose proper management over this "contingent of 10 million laborers."

Guangdong Rural Enterprise Earnings 'Increase'

HK1512135493 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 13 Dec 93

[Text] This year, Guangdong's township and town enterprises have witnessed further development on the basis of last year's rapid development with the result that their total income is expected to reach 220 billion yuan and their total output value 200 billion yuan, representing a 48.98 percent increase and a 45.37 percent increase respectively over last year.

This year, Guangdong's township and town enterprises have successfully developed economies of scale and local

economic superiority as well, with the result that a large quantity of technologically advanced products has been produced.

Moreover, a large number of joint-stock enterprises and joint-stock cooperative enterprises have been set up in the province.

This year, Guangdong has further developed its tertiary industry and made its export-oriented economy more pluralistic. As a result, Guangdong's township and town enterprises are expected to earn \$7.5 billion from exports, a 42.31 percent increase over last year.

Henan Secretary Addresses Anticorruption Forum

HK1812041993 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 16 Dec 93

[Text] The provincial party committee held an anticorruption forum yesterday morning [16 December]. Attending were: Li Changchun, secretary of the provincial party committee; Song Zhaosu, deputy secretary of the provincial party committee; Zheng Zengmao and Song Guochen, members of the standing committee of the provincial party committee; provincial Vice Governor Zhang Honghua; and others.

Secretary Li Changchun delivered a speech at the forum in which he reviewed Henan's anticorruption struggle, dwelt on existing problems, and spoke of ways and means to deepen the struggle during the period between now and the Lunar New Year Festival. Secretary Li Changchun stated: Though some tangible results have been achieved thus far in Henan's anticorruption struggle, on no account should we overestimate them. As for Henan's anticorruption struggle at the moment and in the immediate future, the provincial party committee, in light of Henan's realities, has set out the following five requirements with an eye to attaining the goals laid down by the CPC Central Committee for this stage of the struggle:

Party committees and governments at all levels in Henan:

1. Should heighten their understanding of the necessity to firmly grasp two aspects of work at the same time.
2. Basically should implement to the letter a series of requirements relating to the building of clean government and the enforcement of discipline among party and government leaders.
3. Should concentrate on investigating and handling a group of major or serious cases, as well as punish a group of corrupt elements in accordance with the law and on the basis of facts.
4. Should adopt resolute measures and should strive to put an end to those malpractices that have caused resentment among the broad masses of people.
5. Should make redoubled efforts to improve a series of rules, regulations, and systems aimed at building clean government.

Secretary Li Changchun maintained: Party committees and governments at all levels in Henan should take strong measures, make every possible endeavor, and strive to achieve tangible results at this stage of the struggle in accordance with these five requirements during the period between now and the Lunar New Year Festival. He asserted: In order to make a success of Henan's anticorruption struggle in the run-up to the Lunar New Year Festival, we should implement conscientiously the spirit of a series of speeches made by General Secretary Jiang Zemin and Premier Li Peng over the past few months, concentrate our efforts on accomplishing three major tasks, take strong and forceful measures to deepen the ongoing struggle, exert our utmost to do more realistic work, and strive for more tangible results in the struggle in order to win more trust from the broad masses of people. To this end, we should further heighten our understanding, earnestly strengthen leadership, strive to accomplish all three major tasks laid down by the CPC Central Committee, meticulously organize and guide the ongoing struggle, firmly grasp each and every key link, conscientiously push ahead with the building of clean government in the New Year's Day and Lunar New Year Festival period, create a number of models who excel in performing official duties honestly and in a civilized manner, combine the anticorruption struggle with enhanced education and building a clean government, correctly guide public opinion in this connection, and promote the healthy and smooth progress of the anticorruption struggle.

Southwest Region

Tibetans Enjoy 'Privilege' of Tax Concessions

OW2012125193 Beijing XINHUA in English 1209 GMT 20 Dec 93

[Text] Lhasa, December 20 (XINHUA)—Among the minority nationalities in China, only Tibetans enjoy the privilege of tax concession in many areas.

The lightening of tax burden, which started since 1980, is designed to promote prosperity and development of Tibet and enable part of the farmers and herdsmen of the Tibetan nationality to get rich first.

It was estimated that the tax burden on an individual household engaging in industry and commerce at the medium level in the Tibet Autonomous Region is about one-third of the national average.

Now the region levies 18 categories of taxes, 23 less than other provinces and autonomous regions.

Collective or privately-owned businesses pay virtually no taxes except those which deal in liquor, chromium ore products and wool and cashmere. Township enterprises will be tax free until the end of this century.

There are 40,487 individual households engaging in industry and commerce in the Tibet Autonomous Region. Of the 29,483 households of the Tibetan nationality, 3,282 pay taxes, accounting for only 11.1 percent of the total.

Yunnan Leaders Study Deng's Works, Express Views

HK2012122393 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 17 Dec 93

[Excerpt] In the last few days, principal leaders at the county-level and above attending a provincial study of Volume 3 of the *Selected Works of Deng Xiaoping* are conscientiously studying Deng Xiaoping's original works and theoretical system. In light of the specific conditions of their departments and localities, they are holding heated discussions on how to emancipate the mind, to seize the opportunity, to seek truth from facts, and to speed up development.

During the discussions, provincial party Deputy Secretary Liang Jinquan said: The theory of building socialism with Chinese characteristics has emerged from Comrade Xiaoping's combining of the universal principles of Marxism-Leninism and the specific practice of Chinese socialism. Mastering this scientific theoretical system from the height and profoundness of theory is important to party cadres at all levels in constantly improving their theoretical cultivation, dialectical thinking ability, firmness in principles and systemization in work, farsightedness and creativity, leadership, their ability to resolve practical problems, and in becoming more conscious and firm in implementing the party's basic line.

Zhao Shumin, member of the provincial party committee's standing committee and chairperson of the provincial women's federation, said in a speech: The essence of Xiaoping's selected works and the theory of building socialism with Chinese characteristics is emancipating the mind and seeking truth from facts. Now in face of the new situation and new tasks, we should all the more stress the importance of seeking truth from facts and really understand this in practical work. We should apply this as Comrade Xiaoping does.

During the discussions, the participants pointed out: Comrade Xiaoping's scientific conclusion that the fundamental task in the initial period of socialism is to develop productive forces and establish a socialist market economic structure is the convergence point where Marxism is combined with China's reality. In everything we do, we should proceed from the nature and reality of the initial period of socialism, emancipate and develop the productive forces, and seize the opportunity for faster development. [passage omitted]

North Region

Beijing Bans Military Firearms in Shooting Ranges

SK1712072093 Beijing BEIJING RIBAO in Chinese 6 Dec 93 p 3

[Text] A few days ago, the Ministry of Public Security issued a notice on banning the use of military firearms to engage in commercial shooting activities. According to the

guidelines of the "notice," the Municipal Public Security Bureau adopted measures to positively implement the notice.

The "notice" stressed: The units that continue to engage in commercial shooting activities with military firearms should be sealed up and their unlawful income should be confiscated. The responsible persons in these units should be punished according to relevant rules and regulations.

The "notice" stipulated: No units and departments are allowed to engage in commercial shooting activities with military firearms. After the issuance of the "notice," the shooting ranges that are engaging in commercial shooting activities with military firearms must stop doing business and also register their firearms and ammunitions with the local security organs within 10 days. The military firearms and ammunitions that have been used to engage in shooting activities should be confiscated and sealed up within 30 days. The firearms and ammunition that do not belong to military departments should be withdrawn and sealed up by the local security organs. Those belonging to the military departments should be confiscated and sealed up by the military units according to relevant regulations. From the day that the "notice" was issued, no localities are allowed to approve commercial shooting ranges that use military firearms.

Beijing Infrastructure Plan Wins State Approval

OW1712080293 Beijing XINHUA in English 0741 GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—China's capital city of Beijing will give priority to infrastructure development in the next two decades in a bid to improve its transportation, telecommunications, energy supply, water resources and environment.

This is one of the development measures mapped out in the city's Urban Construction Plan for 1991-2010, which has won the approval of the State Council.

According to the plan, Beijing will improve the third ring road circling the city proper and build a fourth ring road as well as more subway facilities and overpasses to tackle traffic bottlenecks that have been plaguing the capital.

The municipal government also decided to accelerate the on-going construction of the west railway station and update the existing Beijing railway station as well as the north and the south railway stations of the city.

Under the plan, the capital airport will be upgraded and the construction of three highways linking Beijing with cities in surrounding Hebei Province will start soon.

The city will also build or update 39 telephone exchanges to raise the total number of telephone lines to three million so as to make one telephone available for every two households.

It is also expected to have another 43 post offices built by the end of this century to handle the increasing amount of mail.

The government will develop the frequency modulation broadcasting and microwave multi-channel television industries to bring wider areas under the coverage of the capital's broadcasting and TV networks, according to the plan.

The 20-year development program of the city calls for efforts to accelerate the tempo of importing natural gas through pipelines from Shaanxi and Gansu Provinces and the Ningxia Hui Autonomous Region in northwest China in an attempt to reduce pollution in the capital.

The plan says Beijing will revamp or build some half a dozen new heating and power plants and build several power plants jointly with Hebei and Shanxi Provinces and the Inner Mongolia Autonomous Region to help solve the power shortage problem.

The city will step up the pace of construction of facilities for water supply, including a project to divert water from the Danjiangkou Reservoir in central China's Hubei Province and the construction of a new reservoir.

According to the plan, Beijing will enhance environmental protection by building six sewage and waste-water treatment plants, and improving its drainage system.

The capital will also make efforts to allow more households to use natural gas and further popularize central heating systems so as to minimize pollution.

Beijing Experiences Cooking Oil 'Panic Buying'

*HK2012103993 Hong Kong MING PAO in Chinese
18 Dec 93 p A12*

[By special correspondent Ching Chi (5427 2765): "Panic Buying Drains Beijing's Cooking Oil Supply"]

[Text] Under the shadow of this year's high inflation rate, it was rumored that the price of cooking oil would be raised by a big margin next year. Panic buying of cooking oil appeared in early December in Beijing. Lines of customers could be seen in front of all food stores in the urban area, with plastic shopping bags in their hands. Cooking oil sold at low prices has almost been sold out in the city.

According to this correspondent's observation of many food stores in the urban area of Beijing, two special phenomena were found: First, most customers purchased a larger quantity of cooking oil than their normal need, and few people bought less than five jin. Most people bought 10 to 30 jin. Second, low-priced cooking oil is out of stock.

This correspondent asked dozens of customers: "Why did you buy so much cooking oil in one purchase?" They all gave the same answer: "It is said that the oil price will further increase next year, so more cooking oil should be kept at home, and the oil does not go bad in winter." A shop assistant in Dianmen Food Market said: "The wholesale price of cooking oil has increased substantially, and the adjusted price list of tens of foodstuffs that are related to cooking oil, such as cookies and cakes, has been issued. In addition to cooking oil, the wholesale prices of pork and

chicken are also changing every day. I think that the prices will certainly go up by a big margin next year."

In several food stores, shop assistants said that rapeseed oil sold at 5.6 yuan a kilogram and sunflower oil sold at 5.8 yuan a kilogram were out of stock for 10 days. Food processing plants would supply no more in the near future. In Taijichang Food Store, which is located near the compound of the municipal government, a shop assistant said that more than 1,200 kilograms of peanut oil in stock was sold out recently.

A food store purchaser said: Workers in some food processing plants raised money in private to purchase hundreds of cartons of cooking oil at the producer price in order to hoard the commodity for a staggering profit, and they planned to sell the oil at a profit of 6 yuan per carton around the Chinese New Year. Thus, they may reap a handsome profit of several thousand yuan.

In the first half of this year when Beijing Municipality decontrolled the prices of food grain and cooking oil, residents reacted calmly. However, the rumor about a possible oil price hike next year triggered off a panic shopping spree among residents. Some people said that this phenomenon was related to the fact that the costs of living in 35 major cities increased by 20 percent this year. Other people held that the capacity of the Chinese citizens to endure inflation had almost reached the limit, and they had become more sensitive to price hikes.

The General Department of National Economy in the State Planning Commission, which is responsible for monitoring China's overall economic operation and making qualitative analysis, recently warned that this year's inflation had a major deferred impact, and the price situation in 1994 would remain stern. Some experts pointed out: Being affected by the viewpoint that "price reform has almost come to an end," price management departments at all levels in mainland China had slackened their management functions. In addition, as a tax-sharing system will be adopted next year, local governments are now anxious to shake off their financial burdens in order to keep their financial resources. Thus, they are showing an indifferent attitude toward the continuing price increases.

Hebei Secretary on Learning From Industrial Group

*SK1712063793 Shijiazhuang Hebei People's Radio
Network in Mandarin 2300 GMT 16 Dec 93*

[Text] At the provincial on-the-spot meeting on making industrial enterprises learn from (Haomen) Group, grasp competitive projects, create competitive products, and strive for first class, held in Yutian County on 15 and 16 December, the provincial party committee and the provincial government pointed out: Mobilizing all industrial enterprises in the province to strengthen the enterprise reform, open still wider to the outside world, energetically broaden the market, positively optimize structure, grasp competitive projects, create competitive products, and strive for first class in line with the guidelines of the third plenary session of the 14th CPC Central Committee by

closely centering on the general goal of establishing the socialist market economic system is the new [words indistinct] for improving the overall quality and the efficiency of scale of the province's industrial economy. Based on the relatively rapid increase in the past two years, we should effect an even faster and bigger increase next year in order to make even greater contributions to building Hebei into an economically strong province.

Attending the meeting were vice mayors and vice commissioners of various cities and prefectures, directors of various foreign economic relations and trade commissions, leaders of 60 large enterprises, pertinent leaders of 26 departments directly under the provincial authorities, pertinent leaders of the organs directly under the Tangshan city authorities, and pertinent leaders of various counties and districts.

Cheng Weigao, secretary of the provincial party committee, and Ye Liansong, governor of the province, attended the meeting and made speeches. Guo Shichang, vice governor of the province, presided over the meeting.

Cheng Weigao, secretary of the provincial party committee said at the meeting: By studying the advanced experience of (Haomen) Group, we should even more consciously seize the rare opportunity provided by reform and development to rapidly change the operational mechanism of enterprises, establish systems concerning enterprises, and rapidly link enterprises with the market economy. Amid market competition, we should create a number of advanced enterprises which grasp competitive projects, create competitive products, and strive for first class in order to change the backward situation in which many industrial products and industrial enterprises fall into generalities, and are of low quality and efficiency in order to raise the overall level of the province's industry.

Cheng Weigao pointed out: The basic experience of (Haomen) Group is to change the operational mechanism of enterprises, link enterprises with the market, and put enterprises in an invincible position amid market competition.

On how to learn from (Haomen), Cheng Weigao said: It is not necessarily that the specific methods and experiences of (Haomen) Group are suitable for industrial enterprises of all different cases. However, the basic spirit of (Haomen) experiences is suitable for all industrial enterprises. Cheng Weigao expressed hope that all industrial enterprises in the province would truly and actually seize the rare opportunity to accelerate development.

Cheng Weigao said: Opportunity is equal for every locality, every unit, and every person. Whether we can seize the opportunity to turn the possibility of accelerating development into reality depends on the subjective endeavor of persons. All want to seize the opportunity. Whoever wants to seize the opportunity must be brave, be good, and be eager to seize it. By being brave to seize the opportunity, the key lies in correct judgment. Just as Comrade Xiaoping said, whatever is proven correct should be experimented and carried out boldly. By being good at

seizing the opportunity, we mean adopting correct policy decisions and correct measures to achieve the anticipated purpose. By being eager to seize the opportunity, we mean racing against time, trying to be the first, and daring to be the first to seize the opportunity. Only with the spirit of being brave, good, and eager to seize the opportunity can we regain the initiative and beef up the economy. Whether state-owned enterprises, large- and medium-sized enterprises in particular, can beef themselves up depends mainly on whether their leaders can emancipate the mind and can seize the opportunity. We should no longer hesitate and wait to let a golden opportunity slip. We should no longer be content with small progress to make the development stagnate amid blindness and complacency. We should no longer scramble with and struggle against each other to make enterprises take the road back in internal consumption. We should no longer stick to conventions to make the enterprises [words indistinct] amid the trammels of left ideas. All prefectures and cities as well as all professions and trades should organize industrial enterprises to learn from the spirit of (Haomen), [words indistinct] and accelerate the development of the economy.

Jilin Punishes Cadres for Obstructing Verdict

*HK1912015293 Beijing FAZHI RIBAO in Chinese
9 Dec 93 p 2*

[By reporter Liang Guodong (2733 0948 2767): "Sanctity of Law Brooks No Trampling Upon—Jilin Province Handles a Case of Gathering People To Refuse by Force Carrying Out Law Court's Verdict"]

[Text] A few days ago, the Jilin Provincial Supreme People's Court heard a case of some cadres who illegally gathered people to use violence in preventing the enforcement of a verdict. Liu Jinglin, chairman of the trade union of the Changling County Fuel Company; Zhang Kebin, head of the personnel and secretarial section of the fuel company's Taipingchuan supply center; and economy policeman Ma Changjiang, who were found guilty, were detained by the judicial department and fined 1,000 yuan each. Zhao Peiyuan, director of a coal shop under the fuel company, was fined 1,000 yuan and ordered to repent of his error. Other people, including the chief culprits involved, are under investigation.

From 5 - 13 October this year, the enforcement court of the Jilin Provincial Supreme People's Court received a notarized writ of enforcement headed: "Jilin Province Certificate 730"; as well as an application for forcible enforcement from the Jilin Economic Association Eastern Coal Joint Marketing Office. It then sent officers to the fuel company, which had defaulted for two years on its payments to the joint marketing office for goods worth 1.57 million yuan, to enforce the verdict. After explaining to the accused in a sensible way and according to law that their excuses for rejecting the verdict were unreasonable, the law-enforcement officers sealed up the 9,586.2 tonnes of coal at the fuel company's Taipingchuan supply center coal depot and handed the relevant documents to the company's legal representative.

At 0800 on 14 October, when law enforcers from the supreme court, together with personnel from the joint marketing office, were about to load the coal into a truck, Zhang Kebin ordered 20 workers to block the gate of the coal depot with bulldozers. The situation on the scene was very tense. The law enforcers showed the workers their certificates and told them they needed to abide by the law, but Zhang Kebin ignored them and instigated the workers in a loud voice: "We must not allow them to take away the coal." He then went to the boiler room and took up an iron bar, as thick as a teacup, to beat the law enforcers. At about 1000, from the county seat 70 km away the fuel company sent to the scene a few score of staff members armed with iron spades in two jeeps and two medium-sized passenger buses. The number of rioters now had increased to 150. They blocked the gate with the buses, then raided the law enforcers, hurling abuses at and beating them. Another group of rioters broke into the scales-examining office [jian jin shi 2914 2443 1358]. There, they tied up a scales examiner from the joint marketing office and knocked him down with an iron spade. Owing to the violence, the law enforcers became separated. They were injured in the hand, leg, and arm by the iron spade. The rioters snatched cudgels from them, dragged the driver of the police vehicle out of his cab, and deflated the tires, while shouting: "Set fire to the car!" The scales examiner, who had been knocked down in the scales-examining office, later was dragged away and beaten on four occasions. He also was ordered to kneel down and was detained illegally for three hours. The law officers never hit or swore at others when they were attacked. They patiently explained the matter to the people who were misled, exercising great restraint. To prevent things going from bad to worse, the law enforcers suspended their duties.

After the incident, the Jilin Provincial Supreme People Court called an emergency meeting of the judicial committee. The committee fully affirmed the legal basis of the verdict and the measures taken, and clearly demanded that those responsible for illegally gathering rioters to prevent law enforcers discharging their duties be brought to justice so as to safeguard the sanctity of the law and maintain the order of the socialist market economy.

The verdict given to the dispute between the joint marketing office and the fuel company now has been enforced.

Northeast Region

Heilongjiang Party Committee Holds Plenum

Sun Weiben Gives Report

SK1712023993 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 16 Dec 93

[Text] The second enlarged plenary session of the seventh provincial party committee was held in Harbin on 16 December.

The main tasks of the session are to study and implement the guidelines of the third plenary session of the 14th party congress and to mobilize the party organizations at various levels and the Communist Party members throughout the

province to grasp the opportune moment to speed up the pace of reform and development and the setup of the socialist market economic system.

The session was chaired by Shao Qihui, deputy secretary of the provincial party committee and governor of the provincial government. Sun Weiben, Ma Guoliang, Tian Fengshan, Shan Rong'an, Chen Yunlin, Yang Guanghong, Wang Xianmin, Li Qinglin, and Yu Jingchang, standing committee members of the provincial party committee, were seated at the rostrum.

On behalf of the provincial party committee, Sun Weiben made a report entitled, "Deeply Implement the Guidelines of the Third Plenary Session of the 14th Party Central Committee; Speed Up the Setup of the Socialist Market Economic System." Sun Weiben's report involves three parts: First, to deeply understand the guidelines of the central decision and strengthen the sense of responsibility and the sense of urgency for development. Second, to deepen the reform of the economic structure and speed up the setup of the socialist market economic system. Third, to strengthen and improve the party's leadership and provide a reliable guarantee for setting up the socialist market economic system.

Sun Weiben pointed out: The major reform tasks of the province in 1994 and in the foreseeable future are to focus on reforming the property rights of state-owned enterprises, to speed up the setup of the modern enterprise system, to accelerate the setup of a market system with the focus on cultivating markets for production factors, to perfect the economic regulation and control system with the focus on changing the government functions, to set up and perfect the social guaranteeing system dominated by the enterprise unemployment and the old-age pension insurance systems, to further perfect the rural management system with the focus on the shareholding cooperative system, to focus on deepening the reform of the external trade system to push the open strategy to a new height, and to speed up the coordination of science and technology with the economy with the focus on commercializing and industrializing scientific and technological findings.

Sun Weiben stressed: To realize the historical transition from the old systems to new ones and to set up the socialist market economic system, we should further strengthen and improve the leadership of the party and enhance the cohesive power and combat effectiveness of the party. We should deeply study Deng Xiaoping's theory on building socialism with Chinese characteristics, strengthen the construction of the leading bodies at various levels and the grass-roots organizations, realistically strengthen the construction of the spiritual civilization, continue to deepen the anticorruption struggle, stabilize sociality, and provide a favorable social and political guarantee for deepening reform.

Present at the session were 40 members and 13 alternate members of the provincial party committee. Present at the session as nonvoting delegates were party-member vice chairmen of the provincial people's congress, vice governors of the provincial government, and party-member vice

chairmen of the provincial committee of the Chinese People's Political Consultative Conference, deputy secretaries of the provincial discipline inspection commission, assistants to the provincial governor, commissioners and mayors of various prefectures and cities, and principal responsible persons of the provincial-level units.

Plenum Sets 1994 Reform Targets

*SK2012073793 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 18 Dec 93*

[Text] The second enlarged plenum of the Seventh Heilongjiang Provincial CPC Committee successfully concluded in Harbin on 18 December. During the plenum, the participating members discussed and defined the province's overall target of deepening the reform in the systems of socialist market economy as well as the province's major tasks for reform, the focal points of reform work, and measures for ensuring reform. They discussed and approved the report made by Sun Weiben on behalf of the provincial party standing committee entitled "Deeply Implement the Spirit of the Third Plenary Session of the 14th CPC Central Committee and Accelerate the Establishment of Socialist Market Economic Systems." They also discussed and agreed with the 1993 work summary made by the Heilongjiang Provincial CPC Committee and the main points for work in 1994.

It was contended at the plenum that over the past year, party organizations at all levels across the province had led the broad masses of cadres and people to earnestly implement the speeches given by Deng Xiaoping during his inspection tours in the south and the spirit of the 14th CPC Congress. They have brought about a fine situation of reform, opening up, economic development, social stability by always giving priority to the center of economic construction and overcoming various difficulties.

The guiding ideology adopted at the plenum is as follows: Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and of the party's basic line, we should deeply implement the spirit of the 14th CPC Congress and the spirit of the Third Plenary Session of the 14th CPC Central Committee; accelerate the establishment of socialist market economy systems and the pace of building modernization; and vigorously readjust the economic structure and increase economic results so as to promote society's overall progress.

It was pointed out at the plenum that studying and implementing the decision made by the CPC Central Committee with regard to the several questions of establishing the systems of socialist market economy as well as accelerating the establishment of socialist market economic systems have created positive conditions for dealing with the problems and the structural contradiction cropping up in the province's economic development. We should deeply and totally master the spirit of the decision, heighten our spirit, seize the opportunity, advance on the crest of fine situation, and resolutely push forward the reform in economic systems.

It was urged at the plenum that in deepening the reform in economic systems, it is necessary to proceed from the province's reality; to accelerate the establishment of systems for modern enterprises and of unified and open market systems with competitive orders; and to improve and perfect the systems of economic readjustment and control. Efforts should be made to further improve the rural management systems, to promote the upgrading of the strategic level of opening up, and to accelerate the integration between scientific and technological education and the economy. We should strive to build the basic frame of socialist market economic systems in the province in the next five years.

It was stressed at the plenum that in realizing the replacement between old and new systems and establishing socialist market economic systems, it is imperative to further enhance and improve the party's leadership; to uphold the principle of building the two civilizations simultaneously and scoring achievements in both of them; and to provide strong and powerful social and political guarantees for deepening reform.

The plenum called on party organizations at all levels across the province and all Communist party members to unite as one and to lead the people throughout the province to heighten spirit, make concerted efforts, open up the road of advance, work in a down-to-earth manner, and vigorously push forward the province's undertakings of reform and construction.

The closing ceremony for the enlarged plenum was presided over by Sun Weiben, secretary of the provincial party committee.

Attending the closing ceremony were members of the provincial party standing committee, including Shao Qihui, Ma Guoliang, Tian Fengshan, Chen Yunlin, Yang Guanghong, Wang Xianmin, Li Qinglin, and Yu Jingchang.

Heilongjiang Court Work Conference Ends

*SK1612144893 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 15 Dec 93*

[Text] The provincial court work conference on carrying out the system of responsibility for clearing up cases and judging achievements according to regulations concluded on 15 December.

The conference urged that the courts at various levels should strictly grasp the basic principles governing the implementation of the system of responsibility for clearing up cases and judging achievements according to regulations and conscientiously attend to the implementation of the system.

According to the requirements of the supreme court and the provincial party committee, the province started to carry out this system on a trial basis from last March. The courts at two different levels in Qitaihe city, the Daowai District court of Harbin city, the Zhaodong city court, and the (Hongxinglong) state farm court were the first to carry out the system on a trial basis. After that, the intermediate

courts of Harbin city, Suihua Prefecture, and the state farm and their subordinate grass-roots courts started to carry out this system. Practice showed that these courts have successfully experimented with this system, and the trial implementation of this system has played a positive role in strengthening the construction of the contingents, enhancing the judicial work, and improving the law enforcement level.

The conference pointed out: The courts at various levels should realistically upgrade their understanding about this system, strictly grasp the basic principles governing the implementation of the system, persist in the standards for clearing up cases, assume sole responsibility for assigned tasks, [words indistinct] in carrying out the measures for penalty, and judge achievements according to regulations.

The conference also urged that the courts at various levels should further enhance the operational mechanism for implementing this responsibility system, ceaselessly perfect the supporting measures for implementation of this system, realistically strengthen leadership over the implementation of the system, and promote the fulfillment of the judicial work and all other tasks.

Heilongjiang Sentences 11 Public Servants

SK2012081093 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 18 Dec 93

[Text] On 18 December, the Harbin City Intermediate Court tried eight economic criminal cases. Eleven criminals involving in these cases are working personnel of law enforcement departments, financial departments, and state organs.

(Liu Guoguang), former director of the inspection section of the no. 1 branch of the Harbin city tax bureau, accepted more than 47,000 yuan in bribes from 24 enterprises. (Tang Lijiang), former worker of the No. 3 management section of the city tax bureau, accepted more than 11,000 yuan in bribes from enterprises. (Zhou Yuhua), former head of the personnel affairs section of the Daowai District public health bureau, accepted more than 13,000 yuan in bribes. They were respectively sentenced to eight years, five years, and six years of imprisonment. (Yu Jiucui), former head of the Taiping civilian policemen subteam of the industrial and commercial market police forces under the Harbin city security bureau; and (Wu Zhenyong), a civilian policeman, abused their power to respectively accept 10,000 yuan and 4,000 yuan in bribes. They were respectively sentenced to five years' imprisonment, one year's imprisonment, and two years' probation. (Li Baoguo), former manager of the (Fangzheng) branch of the People's Bank, used more than 179,000 yuan in public funds to engage in gambling and extravagance and brought about more than 36,000 yuan in economic losses to the state. He was sentenced to 20 years' imprisonment and deprived of his political rights for three years.

Heilongjiang Reports on Cultural Reform in 1994

SK1612101793 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 15 Dec 93

[Text] From January next year, the provincial cultural front will comprehensively deepen reform in the cultural system. On 15 December, the provincial cultural department held a mobilization rally on deepening the cultural system reform. Provincial leaders Yang Guanghong, Zhu Dianming, and Zhou Tienong attended the rally.

From next year, the provincial cultural front will focus the deepening of reform in the cultural system on readjusting the unreasonable distribution of the cultural undertakings, changing the excessively rigid management system, and reforming the internal mechanisms. Specialized artistic organizations will gradually carry out the system of linking centralized management and decentralized management. Excepting the selection and support of some 20 to 30 artistic organizations with special characteristics, the rest should become social cultural organizations that are independent in management and assume sole responsibility for profits or losses. Simultaneously, the province will reassess specialized administrative organizations of various units, redefine the size of the staff, carry out the system of appointing administrative leaders for a term of office and the system of appointing specialized technicians, further liberate and develop productive cultural forces, and strive to create increasingly more cultural and artistic works loved by the people.

Jilin Secretary Visits Cultural Departments

Hears Jilin Work Report

SK1712045793 Changchun Jilin People's Radio Network in Mandarin 2300 GMT 16 Dec 93

[Text] He Zhukang, secretary of the provincial party committee, went to the cultural departments directly under the province to conduct investigation and study on the afternoon of 15 December. He pointed out: Our literature and art should persistently serve the people and serve socialism and warmly sing the praise of the great era of reform and opening up. In the past few years, the province won the (Wenhua) award, the highest state award for drama creation, for three years in succession. This was not easy.

In a small and simple office of the provincial culture department, Comrade He Zhukang heard a work report by a responsible comrade of the provincial culture department. He Zhukang said: Jilin Province has won notable achievements and created its own characteristics in its cultural undertakings over the past few years. In drama, in particular, it has been in the lead in the country. In filmmaking, it has also won prominent results in the creation of major themes. Some creations and performances have played a great role not only in meeting the people's ever growing cultural needs but also in publicizing Jilin and expanding its influence, promoting its economic development, and strengthening its spiritual civilization.

We have many very good experiences. It is hoped that everyone will earnestly summarize them to achieve greater development.

Comrade He Zhukang also pointed out: Jilin's achievements in cultural undertakings cannot be separated from the hard work of the vast number of cultural workers, writers, and artists in the province. They have made significant contributions to Jilin's two civilizations. On behalf of the provincial party committee, I will express respect to them.

He Zhukang pointed out: In developing cultural undertakings, we should properly handle the relationship between deepening reform and strengthening management on the one hand and achieving prosperity and development on the other. In implementing the guidelines of the third plenary session of the 14th party Central Committee, cultural departments should enable cultural development compatible with the establishment of the socialist market economy system in the new situation. This is a very important task. In particular, they should conduct study on ways to better adhere to the orientation of serving the people and serving socialism; ways to combine the efforts of specialized contingents and the masses, with the latter as the main force and the former as supplement; and ways to resist the corrosion of the bourgeois spiritual junk. While making literature and art flourish, they should strengthen management. In developing cultural undertakings, the first thing is to build contingents. They should bring up more and better personnel. They should also pay attention to the establishment of cultural facilities, cultural markets, and laws on culture to provide a good external environment for the prosperity and development of culture.

He Zhukang emphasized: We are at a historical moment for great changes and great development. The Chinese nation is creating brilliant achievements in the history of mankind, and the great era [words indistinct]. The vast number of literary and art workers should go into the reality of life and to practice, warmly sing the praise of the great era of reform and opening up, and provide more and better intellectual products to society to enrich people's cultural life and encourage them to advance triumphantly.

Visits Village in Gongzhuling

SK2012070793 Changchun Jilin People's Radio
Network in Mandarin 1030 GMT 17 Dec 93

[Text] He Zhukang, secretary of the provincial party committee, again went to (Donghe) Village in (Zhangjiatun) Town in Gongzhuling city today to visit peasants. He stressed that the party's rural work should be carried out in a practical way to satisfy all peasants.

The first standing committee meeting of the sixth provincial party committee decided that beginning this year the standing committee of the provincial party committee should devote a certain period of time to going to the grass-roots areas to directly learn about rural situation every year. On 16 (November) this year, Su Rong, standing committee member and secretary general of the provincial party committee, took the lead in studying this

decision. Without advance notification, arrangements, or entourage, Su Rong went to (Donghe) Village in (Zhangjiatun) Town in Gongzhuling city to visit peasant households and learn about the peasants' situation. He had a heart-to-heart talk with peasants to directly learn about their situation. Then, he instructed the Gongzhuling City Party Committee to adopt measures to solve the 16 questions raised by peasants. According to the instructions of the leading comrade of the provincial party committee, the Gongzhuling City Party Committee specially organized two inspection teams to investigate and handle in a timely manner the problems raised by peasants and then report the situation to the provincial party committee.

How to tackle these questions has always been in the mind of He Zhukang. On the morning of 17 December, in spite of the bitter cold with a temperature of more than 20 degrees below zero centigrade, Comrades He Zhukang and Su Rong again drove to the two peasant households they had visited to listen in detail to their opinions. On hearing that leaders of the provincial party committee again came to visit the village, many peasants enthusiastically went to the houses of (Wang Xuegong) and (Sun Zhenxiang), where Secretary He Zhukang visited, in order to voice their innermost feelings to Secretary He. Comrade He Zhukang let peasants step on the heatable brick bed, while he himself sat on the edge of the bed. He Zhukang said to peasants: When I came here last May, you reflected some situations. Now, I come here again to see how you are working and living. I hope that you will voice the things that you are or are not satisfied with.

Most of the peasants sitting around Secretary He had met him before. Today, when they again met Secretary He, they naturally felt unrestrained and especially intimate. Elderly peasant (Tan Cai), 55 years old, happily said: The fact that Secretary He has come to see us on such a cold day again manifests the work style of the old Eighth Route Army. Since [words indistinct], you have solved many difficulties for us. This year, we have reaped bumper harvest in grain, and our income increased. Last year, my home handed over 390 yuan of retention to the state for fifteen mu of land, while this year, my home handed only 200 yuan, almost half the figure of last year. (Chen Changhai), secretary of the village party branch, then added: Circumstances differ in each household. However, the total amount of the whole village decreased by 36 to 50 percent. Hearing this, He Zhukang said with satisfaction: Reducing the burdens of peasants is a major event bearing on the production and livelihood of the masses. We must pay attention to it constantly and go all out to make it a success. Then, He Zhukang asked the peasants sitting around him whether the number of village cadres had decreased. Peasants answered that there were eight cadres in the village. He Zhukang again asked about the situation in readjusting the cropping structure and in carrying out diversified management. Peasant (Wang Xuedong) said: This year, the corn acreage has decreased somewhat, while the soybean acreage has increased. The results are quite good. In terms of diversified management, now 90 percent of our village peasants have been growing day lilies, and each household is expected to earn 2,000 yuan of more

income on an average. Comrade He Zhukang expressed agreement with it. He encouraged peasants to fully utilize the favorable conditions of being close to urban districts to energetically develop township and town enterprises as well as diversified management with a view to entering markets as quickly as possible. When it comes to the plans of next year, peasants unanimously expressed: Now that the central authorities and the provincial party committee have attached such a great importance on the rural work and agricultural issues, they are truly happy and are more confident and more enthusiastic in work.

During the talks, peasants also raised some opinions on financial management, water conservancy projects, tree planting and afforestation, and the difficulties in settling in the countryside. After hearing the opinions one by one, Comrade He Zhukang said: Party committees and governments at all levels must actually give top priority to rural work, go deep into the realities to handle practical work, and conscientiously solve the practical problems of the masses. By so doing, the party and the government will gain prestige among the peasants, and peasants will feel satisfied at heart. He Zhukang pointed out: Financial accounts in rural areas should be made public regularly, and, in particular, the cash management, the accumulation of collective property, and the situation in using collective property, with which the masses are much concerned, should be made public to accept the supervision of the masses. Rural cadres should frequently communicate with the masses, exchange opinions and ideas with the masses, and report on the work situation to peasants. In particular, when deciding a major matter, we must encourage the participation of peasants through due form and procedures, rather than deciding by a minority of persons. He Zhukang said: The fundamental way to maintain close ties between the party and the masses and between cadres and the masses lies in developing and expanding the collective sector of the economy. Only after beefing up the collective sector of the economy can we thoroughly solve the problems concerning the burdens of peasants and can we provide guarantee for the development of various other undertakings. We should pay attention to solving the problems concerning policies and actually solve the problems concerning the production and livelihood of the masses in order to protect and mobilize the initiative of peasants.

Then, Comrade He Zhukang wished the peasants a Happy New Year in advance and wished them even greater progress in their production and livelihood next year. Being deeply grateful, peasants stood at the end of the village street gazing affectionately after the departing provincial leaders.

Liaoning Governor Speaks at Anticorruption Forum

SK1812090393 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 17 Dec 93

[Text] The provincial people's government sponsored a report-back meeting of anticorruption work on the afternoon of 17 December. Governor Yue Qifeng delivered an

important speech at the meeting. Vice Governor Wen Shizeh presided over the meeting.

During the meeting, the participants summarized and exchanged the situation and experience gained by the provincial people's government in the previous period's struggle against corruption. They also discussed and dealt with the new situation and new problems cropping up in the struggle.

During the meeting, five units, including the provincial public health department and the provincial post and telecommunications administration bureau, delivered reports on their experience gained in the struggle.

In his speech, Governor Yue Qifeng made work arrangements for deeply carrying out the struggle against corruption in next period. He stressed: The provincial people's government, being the leading organ of the province's administrative work, has urged all subordinate organs to resolutely enhance their sense of emergency and responsibility in the struggle against corruption. It has also urged them to firmly hold the center of economic construction and to further reinforce strength in the struggle. Efforts should be made to foster the thinking of fighting a long-term battle and to integrate the struggle with the tasks of consolidating the work style of organs and of enhancing the organs' building.

Governor Yue Qifeng said: We must vigorously grasp the implementation of the three tasks for the struggle against corruption and vigorously investigate and handle serious and appalling cases. A good job should be continuously done in the work of encouraging leading cadres at or above the county-section level to perform their official duties honestly, to be strict with themselves, and to conduct self examination and improvement. They should also conduct the work of handling the cases of arbitrary collection of charges, of making overseas travels with public funds, and of party and government organs that have operated enterprises. By grasping the hot problems about which the people have lodged strong complaints, they should continuously adopt measures to do a good job in carrying out consolidation among specific areas; to realistically correct the malpractice cropping up among various industries and trades; to deal with the prominent problems with the characteristics of departments as well as of industries and trades; and to consolidate achievements they have scored.

Governor Yue Qifeng urged various departments to conduct examination over the work done in the former period in the struggle. Governor Yuefeng said: The general demand of the provincial people's government for the struggle against corruption in 1994 is to be based on continuously and successfully implementing the three tasks set by the central authorities to concentrate efforts on deepening the contents of struggle, broadening the realm, and consolidating achievements. Efforts should be made to continuously uphold the principle of building the two civilizations simultaneously and scoring achievements in both of them. By adopting a resolute attitude and conducting their work realistically, these departments should

not only deepen the struggle against corruption and promote the new progress of reform, opening up, and economic construction; but also score even greater results in the second pioneering work.

Attending the report-back meeting were vice governors of the province, including Xiao Zuofu, Zhang Rongmao, Cong Zhenglong, Guo Tingbiao, and Gao Guozhu; Xu De, secretary general of the provincial people's government; He Enlong, deputy secretary of the provincial discipline inspection commission and director of the provincial supervisory department; responsible comrades from various departments under the provincial people's government and from the provincial level units.

Northwest Region

'Uproar' Closes New Gansu Shopping Arcade

HK2012090893 Beijing BEIJING QINGNIAN BAO in Chinese 14 Dec 93 p 1

[By Zou Dayi (6760 1129 3015), Li Xiaojian (2621 2556 1696), and Gu Jian (7357 0256): "Gansu's Largest Market Was Closed Down on the Day It Opened for Business"]

[Text] On 5 December, these reporters witnessed the crowded scene in the largest shopping arcade in Gansu Province which opened for business. However, the shopping arcade closed the following day and the scene of prosperity was gone.

On the morning of 5 December, when Huade Shopping Arcade opened for business, in the presence of local provincial and city leading comrades and several thousand guests and commoners who attended the ribbon-cutting ceremony, some people went so far as to put up six large-character posters on the fifth floor of the shopping arcade with such slogans as: "Foreign businessmen must abide by the law in China" and "Huade must stop unlawful practices which infringe upon the rights of others." They also threw a large number of leaflets from the top floor and shouted slogans. The leaflets fell near the provincial and city leading comrades, immediately setting off an uproar, and on surrounding vital communication lines.

Moreover, these reporters saw that the two glass front doors on the first floor of the shopping arcade were closed with a seal bearing the official mark of "Gansu Province Township and Town Tertiary Industrial Company" and locked. A large number of small-character posters with the official seal of this company, such as red-letter-headed documents, "letters of appeal," and "open letters," were put up on various show-cases, doorposts, and walls, on the first floor of the shopping arcade. They even put up these small-character posters at the entrance of the provincial government and the provincial government comprehensive office building, in the street, on walls, and on taxis. These reporters also saw that some people were spreading the following remarks among the watching crowds: The opening of a Sino-foreign cooperative shopping arcade is tantamount to "surrendering our country's sovereign rights under humiliating terms"; "Chinese agents of the foreign partner are traitors"; "the Provincial Administration of Industry and Commerce is breaking the law"; "Gansu is

utilizing foreign capital in a rash manner"; "foreign businessmen should not enjoy privileges"; and "China cannot once again revert to being a colony and the old China before liberation."

To date, the relevant departments in Lanzhou City or Gansu Province have not reacted to the abovementioned events. However, local newspapers and television stations have already reported on it.

Why did such a peculiar and unusual phenomenon occur?

These reporters have learned from interviews with the relevant provincial government department that the large comprehensive department store was jointly run by Lanzhou City Minbai Joint-Stock Company Ltd., and the Sino-foreign cooperative Lanzhou Tianhe Company Ltd., and had been authorized to register by the provincial administration of industry and commerce.

The Tianhe Building, where the department store is located, is owned by Lanzhou Tianhe Company Ltd. The company is a Sino-foreign cooperative enterprise jointly invested by the German (Ester) [e si de 7093 4828 1795] Company Ltd., Hong Kong Xinji Industrial Company Ltd., and Gansu Province township and Town Tertiary Industrial Company. However, the parties had contract disputes in the ownership of the building. Some people mistakenly believed that the opening of the shopping arcade meant that the whole building was owned by foreign businessmen, thus they tried in every possible way to obstruct the opening.

A leading cadre from the relevant provincial department told these reporters: Gansu is a remote and impoverished province which urgently needs to attract foreign capital for development and construction. In 1991, at the invitation of the Gansu Provincial Government, the noted German entrepreneur Anton Studinger went to Lanzhou to invest and set up three enterprises and Tianhe Company Ltd. is one of the large projects and one of the largest foreign-invested projects in Gansu Province.

The leading cadre held that disputes with foreign businessmen should be settled through legal channels and that the actions taken by these people had severely damaged Gansu Province's investment image.

At present, the event is still developing. The provincial administration of industry and commerce has sent the provincial government a written report to refute every accusation made by the Gansu Province Township and Town Tertiary Industrial Company, urging the provincial government to stop their "Cultural Revolutionary practices." Minbai Company has sent an "ultimatum" to the Chinese and foreign partners of Tianhe Company, saying if Minbai's four demands are not met, Minbai will withdraw from management of the shopping arcade from 10 December and bring suit against them to demanding more than 10 million yuan in compensation. The foreign partners of Tianhe Company have sent a message to the governor, pointing out that provincial and city authorities have failed to check and punish Gansu Provincial Township and Town Tertiary Industrial Company in accordance with the law for making remarks and taking action in violation of China's Constitution and regulations on public security. According to the message, if Minbai withdrew from the management of

the shopping arcade, the foreign partners will go to Vienna and sue the Chinese side and formally withdraw capital from the department store. However, Gansu Provincial township and Town Tertiary Industrial Company keeps widening the scope of putting up large-character banners and small-character posters. In the early morning of 8 December, the company even dispatched a special messenger to give a letter to the foreign partners, saying that if its demands were not met, they would (?cancel) the contract on (?10) December.

Gansu CPC Committee Winds Up Plenary Session

Secretary Addresses Committee

HK1712102393 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 16 Dec 93

[Text] The Ninth Plenary Session of the Seventh Gansu Provincial CPC Committee wound up in Lanzhou yesterday afternoon.

The plenary session deliberated and approved the following three work reports to be submitted to the forthcoming Eighth Gansu Provincial CPC Congress: the Seventh Gansu Provincial CPC Committee work report; the Gansu Provincial CPC Advisory Committee work report; and the Gansu Provincial CPC Discipline Inspection Commission work report.

The plenary session also adopted a resolution on convening the Eighth Gansu Provincial CPC Congress.

Provincial CPC committee Secretary Yan Haiwang presided over and delivered a speech at the plenary session in which he stated: The plenary session participants conscientiously discussed and deliberated the Seventh Gansu Provincial CPC Committee work report. After unfolding heated discussions and freely airing views, all comrades unanimously held that the report has summed up the seventh provincial party committee work over the past five years by seeking truth from facts under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as well as the spirit of the 14th CPC National Congress and the spirit of the Third Plenary Session of the 14th CPC Central Committee.

'Full Text' of Resolution

HK1712101993 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 16 Dec 93

[Text] The following is the full text of a resolution adopted on 16 December by the ninth plenary session of the seventh gansu provincial CPC committee on the convocation of the Eighth Gansu Provincial CPC Congress:

The Ninth Plenary Session of the Seventh Gansu Provincial CPC Committee was held in Lanzhou on 15-16 December, 1993 and attended by a total of 30 provincial party committee members and two alternate members. The provincial advisory committee and discipline inspection commission members attended the plenary session as nonvoting delegates.

Provincial party committee Secretary Yan Haiwang presided over the plenary session which deliberated on and approved the following three work reports which will be submitted to the forthcoming Eighth Gansu Provincial CPC Congress: Seventh Gansu Provincial CPC Committee work report, Gansu Provincial CPC Advisory Committee work report, and the Gansu Provincial CPC Discipline Inspection Commission work report.

The plenary session decided to convene the Eighth Gansu Provincial CPC Congress in Lanzhou on 19 December 1993.

The agenda of the forthcoming Eighth Gansu Provincial CPC Congress is as follows: 1) to listen to and deliberate the Seventh Gansu Provincial CPC Committee work report; 2) to deliberate the Gansu Provincial CPC Advisory Committee work report and the Gansu Provincial CPC Discipline Inspection Commission work report, the two reports will be submitted in written form; 3) to elect the Eighth Gansu Provincial CPC Committee; 4) to reelect the Gansu Provincial CPC Discipline Inspection Commission.

Qinghai Rural Areas Increase Electricity Use

OW1612152293 Beijing XINHUA in English 1459
GMT 16 Dec 93

[Text] Xining, December 16 (XINHUA)—More and more rural and pastoral areas in Northwest China's Qinghai Province now have and use electricity, thanks to the scope of electric power construction over the past few years.

The province has built over 50 transformer stations in rural areas, with total capacity of 400,000 kva. The annual amount of electricity used in the rural areas has now hit 1.18 billion kWh, compared with 196 million kWh in 1985.

There are more than 20,000 km of high-voltage power transmission lines in the province.

With the rapid development of the electricity network, more and more farmers and herdsmen have shown an increasing interest in investment in power construction.

In the past two years, about three-fifths of the funds used in renovation of the rural networks were raised by the local farmers and herdsmen.

Now, more than 80 percent of the rural areas have electricity, and about 500,000 households have begun to use electricity for farm work.

The provincial government has also put effort into the exploration of water and power resources to help farmers and herdsmen to achieve prosperity.

As a result, semi-mechanization of agriculture has taken shape.

Various mills and plants processing farm products have been built, and some of the products have been sold abroad.

Xinjiang Appoints Uygur Regional Deputy Secretary

OW1712012893 Urumqi Xinjiang Television Network
in Mandarin 1330 GMT 16 Dec 93

[Announcer-read report; from the "Xinjiang News" program]

[Text] The CPC Central Committee has decided to appoint Abulaidi Amudurexiti as member of the Standing Committee and deputy secretary of the Xinjiang Uygur Autonomous Regional Party Committee.

ARATS Group Arrives in Taipei for Talks

Official Sun Yafu Leads Talks

OW1712170393 Beijing XINHUA in English 1642
GMT 17 Dec 93

[Text] Taipei [Taipei], December 17 (XINHUA)—A talks group led by Sun Yafu, deputy secretary-general of the mainland's Association for Relations across the Taiwan Straits (ARATS), arrived at Taipei this afternoon.

Sun and his party are here for working talks with their counterparts in the Taiwan-based Straits Exchange Foundation (SEF), which will start tomorrow.

It will be the first time that the two non-governmental associations authorized by relevant departments of the mainland and Taiwan have held talks in Taipei.

Under a protocol reached at the "Wang-Ku" meeting in April, the two sides had held working talks in Beijing and Xiamen.

Answering questions from more than 300 Taiwan and overseas reporters, Sun stressed that the working talks in Taipei were to implement the relevant agreements of the Wang-Ku meeting (a meeting between ARATS' chairman Wang Daohan and SEF's chairman Ku Chen-fu).

He said that the talks also represented progress in the contacts and cooperation between ARATS and SEF.

Sun said that he was pleased to arrive at Taipei to hold working talks with SEF.

He said that during the talks ARATS will make efforts, together with SEF, to solve some urgent concrete problems in the exchanges between the compatriots across the Straits, in line with the spirit of "mutual respect, equal consultation, seeking truth from facts and seeking common ground while reserving differences."

It was learned that among the issues to be discussed in the talks will be the repatriation of hijackers, Straits fishing disputes and the repatriation of people who enter the area of the other side in violation of relevant regulations.

The ARATS delegates and SEF will also exchange views on the topics of facilitating the entries and exits of the members of the two organizations, jointly dealing with smuggling and robbery at sea, the protection of intellectual property rights on the mainland and in Taiwan, the contacts and mutual help between the courts of the two sides, and the protection of the investment interests of Taiwan businessmen on the mainland.

Asked whether ARATS Executive Vice-Chairman Tang Shubei and ARATS vice-chairman and Secretary-General Zou Zhekai will be invited to Taipei for talks, Sun said the two organizations were negotiating about relevant matters.

Sun Visits SEF Head Office

OW1712172093 Beijing XINHUA in English 1643
GMT 17 Dec 93

[Text] Taipei [Taipei], December 17 (XINHUA)—An 11-member talks group from the mainland's Association for

Relations Across the Taiwan Straits (ARATS) headed by Sun Yafu, ARATS deputy secretary-general, called on Chiao Jen Ho, vice-chairman and secretary-general of the Taiwan-based Straits Exchange Foundation (SEF), at the SEF head office, as soon as they arrived here this afternoon.

At the meeting Sun said that since Mr. Chiao became vice-chairman of the Board of Directors of SEF and its secretary-general early this month, there have been some new tendencies in the contacts and exchanges between SEF and ARATS.

He said that he hoped the new tendency would continue to grow.

Sun said that at present there are many problems, including the issues listed in the protocol of the "Wang-Ku meeting" (a meeting between ARATS chairman Wang Daohan and SEF chairman Ku Chen-fu in April), which should be solved through joint efforts by ARATS and SEF.

He said that his group's present stay in Taiwan was expected to benefit the development of relations across the Straits and between ARATS and SEF.

Chiao noted that the two sides have common interests despite there being some differences. He said that it is time for making a breakthrough in the relations across the Straits.

Chiao said that the second talks between ARATS and SEF in Xiamen had laid certain foundations for the current talks.

If the talks can solve actual problems, that will help improve the relations across the Taiwan Straits, Chiao added.

He said that now both sides hope that progress could be made in solving problems such as the repatriation of hijackers, and that the talks could achieve positive results.

He noted that it was time for making a breakthrough.

On exchanges between SEF and ARATS, Chiao said that he had not been to the office of ARATS and he hoped some day he would pay a visit to it.

Sun said Chiao is welcome to visit the mainland.

After the meeting, Sun and his party were given a welcoming banquet.

Delegations Discuss Hijackings

OW1812040093 Beijing XINHUA in English 0334
GMT 18 Dec 93

[Text] Taipei [Taipei], December 18 (XINHUA)—The first working talks between two non-governmental organizations from the Chinese mainland and Taiwan began here this morning, focussing on the repatriation of hijackers.

Attending the talks this morning were eight members of the mainland's Association for Relations Across the Taiwan Straits (ARATS), led by its Deputy Secretary-General Sun Yafu, and a team from the Taiwan-based

Straits Exchanges Foundation (SEF), led by its Deputy Secretary General Shi Hwei-you.

Sun said that the session is part of the efforts to implement related agreements made at the "Wang-Ku meeting" (a meeting between ARATS Chairman Wang Daohan and SEF Chairman Ku Chen-fu in April). "We are very glad that the talks can be held in Taipei this time," he said.

He described the talks as concrete measures made by both sides following the agreements at the "Wang-Ku meeting," and also the fruit of progress made by the two organizations in the past two years.

He said the first issue of the talks is the repatriation of hijackers.

"We are willing to make joint efforts with the SEF to achieve progress in the talks and solve the problem of hijacking involving the two sides. [no closing quotation mark as received]

He expressed his hope that the talks would benefit the development of relations across the straits.

Meanwhile Shi said that the issue of this morning's talks is a topic of concern to both sides.

He said that he also hoped that the talks would work out concrete and efficient measures to solve the problem, based on a previous meeting held in Xiamen, in east China's Fujian Province.

More than 200 Chinese and overseas reporters are now in Taipei covering the talks.

Talks Make 'Some Headway'

OW1812151493 Beijing XINHUA Domestic Service in Chinese 1343 GMT 18 Dec 93

[By reporters Wu Ming (0702 2494) and Xue Jianhua (5641 1696 5478)]

[Text] Taipei [Taipei], 18 Dec (XINHUA)—The Association for Relations Across the Taiwan Strait [ARATS] and Taiwan's Strait Exchange Foundation [SEF] began their working consultations in Taipei today. The two sides shared common understanding in their consultations on issues concerning repatriation of plane hijackers of the two sides and repatriation of personnel entering each other's areas in violation of relevant regulations, as well as relevant issues.

ARATS Deputy Secretary General Sun Yafu said today's working consultations proceeded under a "very good atmosphere." He said: On repatriation of plane hijackers, both sides maintained the common understanding reached in the Xiamen consultations in November, saying that hijackers must be repatriated and ARATS and SEF would be responsible for reaching an agreement on matters relevant to repatriation. The two sides also basically reached consensus on transfer of evidence, ways of repatriation, and issues concerning handing over hijackers.

Commenting on the consultations in the afternoon, Sun Yafu said: After the ARATS-SEF working consultations in

Xiamen in November, we successfully investigated and studied issues relevant to repatriation of personnel entering each other's areas in violation of relevant regulations, and we also studied SEF's views. At today's consultations, we continued to exchange views with SEF personnel with an approach of striving to achieve positive results. In short, some headway was achieved during the afternoon consultations.

Answering reporters' questions, SEF Deputy Secretary General Xu Huiyou [Hsu Hui-you] also indicated that some headway was achieved at today's working consultations.

XINHUA Reports on Talks

OW2012043493 Beijing XINHUA Domestic Service in Chinese 1611 GMT 19 Dec 93

[By reporters Wu Ming (0702 2494) and Xue Jianhua (5641 1696 5478)]

[Text] Taipei [Taipei], 19 Dec (XINHUA)—The Association for Relations Across the Taiwan Strait [ARATS] and Taiwan's Strait Exchange Foundation [SEF] today continued their working talks on cross-strait repatriation of hijackers and fishing disputes. Some progress has been made in the talks.

According to ARATS Deputy Secretary General Sun Yafu, the two sides conducted this morning a further, thorough discussion on the question of cross-strait repatriation of hijackers on the basis of yesterday's discussion. The ARATS reiterated that hijackers must be repatriated in principle. In response to some special questions raised by the SEF, the ARATS group took a further step to forward more concrete views. The two sides studied and discussed the wording of an agreement and roughly decided on the framework for the agreement.

On the afternoon discussion on cross-strait fishing disputes, Sun Yafu said that the two organizations already reached a considerable common understanding on the topic during the November talks in Xiamen; and later, the ARATS prepared a draft agreement based on a further study of the actual situation. Sun Yafu said: On the scope of the agreement applicability, the ARATS suggests that the overall scope should be simplified a little to facilitate an early conclusion of the agreement on settlement of cross-strait fishing disputes. It should mainly cover the civil disputes involving fishermen and fishing boats of both sides over property loss or personal injuries inflicted during navigation, berthing, or fishing operations. On how to contact each other, the ARATS said that each side should set up its own fishing dispute mediation and handling agency under a proper name, and the two agencies should keep in touch with each other and hold consultations on handling fishing disputes.

Sun Yafu said: The two sides have reached a common understanding on the principle of fishing-dispute consultations, exchange of information, settlement between the parties concerned themselves, preservation of evidence, and rescue and assistance. On how to implement the

results of fishing-dispute consultations, the ARATS proposed that both sides adopt effective measures to implement the results of mediation or handling. Taiwan's SEF Deputy Secretary General Hsu Huiyu said that the ARATS proposal has been affirmed by both sides.

Editorial Discusses Talks

HK1812080093 Hong Kong TA KUNG PAO in Chinese
18 Dec 93 p 2

[Editorial: "Hope Is Pinned on Today's 'Taibei Talks'"]

[Text] The delegation of the mainland's Association for Relations Across the Taiwan Straits [ARATS], headed by its deputy secretary general, Sun Yafu, arrived in Taipei yesterday afternoon, and was welcomed by the relevant departments of Taiwan's Straits Exchange Foundation [SEF]. This is a major event since the ties between the people on the two shores began in the early 1980's, and is a focus of attention of various aspects.

The visit is also one of a nongovernment organization, the first of its kind authorized by the mainland government to visit Taiwan, and signals new progress in cross-strait cooperation and exchanges. Chinese at home and abroad, as well as overseas Chinese are happy to learn the news that Taiwan and Mainland China are to augment their multitiered contacts at the turn of the new year.

Although the level of the Taibei talks still falls in the category of the past routine talks between two nongovernment organizations - ARATS and SEF—the cross-strait issues in the talks under way are very important. This being the case, the actual significance has gone beyond the level of the talks.

Just as was indicated by SEF Deputy Board Director Chiao Jen in his speech welcoming Sun Yafu's arrival yesterday: "The current Taiwan visit by the ARATS from the mainland signals a new milestone in cross-strait relations, which has not been achieved easily." This being the case, we deeply believe that the Taibei talks will exert new effects and yield some fruit so as to live up to the expectations of the compatriots on Taiwan and the mainland.

Over several days, Taiwan public opinion has discussed the prospects for the ARATS-SEF talks being held for the first time in Taipei over the past 40-some years, believing that the "Taibei talks" will be of great importance, and hoping the two organizations will set an example for promotion between the two sides. From this we can see that the public opinion representing a population of some 20 million on Taiwan also has pinned great hopes on the current talks, which can be viewed as a wish shared by all.

Some disputes continue to exist between the two sides. For example, the recent attempt by the KMT authorities to return to the United Nations, an issue that the mainland authorities have never agreed to. A comparatively new issue was Taiwan "Minister of Economic Affairs" Chiang Bing-kun's proposal at the Seattle conference on Asia-Pacific Economic Cooperation last month for the so-called "two Chinas as a phase in a process leading toward one China," which actually aimed at maintaining a condition

of "two Chinas," with the "Republic of China" ultimately unifying the mainland. These concepts were justifiably refuted by the mainland but the non-government economic cooperation and exchanges between the two sides have not been affected.

What the mainland asks of Taiwan's SEF is precisely to communicate, seek common ground and mutual benefit, develop strong points, and complement each other's shortcomings—all of which falls in line with the common interests of compatriots on both sides. Today, there are some 20,000 enterprises on the mainland that are either exclusively Taiwan-invested, or are joint ventures. The number of Taiwan-funded enterprises in Shanghai alone is over 1,200, involving a negotiated investment volume approaching \$2 billion. If the two sides are able to be frank and sincere with each other, they will play the role of enabling the economic takeoff of both sides.

On the agenda of the current "Taibei talks" are the issues of repatriating hijackers, fishery disputes, Taiwan repatriating illegal immigrants from the mainland, entry and exit of ARAFTS and SEF personnel, and other related issues.

While it is impossible for five days of talks to resolve all issues, we earnestly hope that the Taiwan authorities will extradite hijackers and deliver them to the mainland authorities, and that is precisely a thorough and basic way to resolve frequent hijacking cases. Since April this year, nine cases of hijackings to Taiwan have taken place, one after another. Each time, however, the hijacker has been held in Taiwan on the pretext of the Taiwan authorities "separating the plane and the hijacker." Facts have demonstrated that this practice has induced more hijacking incidents.

The motives confessed by the hijackers have become increasingly nonsensical. For example, a hijacker believed that Taiwan enjoyed a higher living standard, thus he did not care a bit about endangering the lives and properties of the crew and of all the passengers on the plane in order to achieve his base aim. One of these hijackers even brought his "girlfriend" along when committing a hijacking. Another of these criminals committed hijacking simply because of a quarrel with his supervisor. We would like to ask: Was it out of sympathy for these hijackers "seeking freedom," or out of the "anticommunist objective" of those concerned that the Taiwan authorities have shielded them? Should the Taiwan authorities continue to show leniency toward hijacking incidents, they themselves will become birds of a feather with the hijackers. Will the Taiwan compatriots agree to the Taiwan authorities shielding these criminals, who care nothing about people's lives? Will the international community support the Taiwan authorities in continuing this practice?

It is our heartfelt hope that the Taiwan authorities will resolve this issue with sincerity, and that the Taiwan authorities will not use the hijacking issue as a "means" to press the mainland for concessions in other areas. Repatriating hijackers is the correct practice based on the Jingmen Accord. When an accord exists, both sides have the obligation to observe it.

The correct solution to repatriating the hijackers is also a touchstone to prove whether or not the Taiwan authorities earnestly want to further the development of cooperation and exchanges with the mainland. Regarding the Taiwan authorities, it is also a test to see if they will deal fairly with cross-strait criminal cases facing scores of millions of overseas Chinese and foreigners of Chinese origin. This has a bearing on the image of the Taiwan authorities overseas. We do hope they will take this point into serious consideration.

'Special Article' on Talks

HK1912015093 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1119 GMT 17 Dec 93

["Special article" by reporter Li Xiaozhun (2621 1321 6150): "The Taiwan Authorities' Hopes for the 'Taiwan Talks'"]

[Text] Taipei, 17 December (ZHONGGUO TONGXUN SHE)—The "Taipei talks" between Taiwan's Straits Exchange Foundation (SEF) and the mainland's Association for Relations Across the Taiwan Straits (ARATS) will be held tomorrow. This is the third businesslike [shi wu xing 0057 0523 1840] discussion between the two parties following their "Ku-Wang talks," which were held this year, and also the first arrival in Taiwan of an ARATS delegation, so it has attracted the attention of both sides of the strait and of people at home and abroad. In particular, people in all walks of life on Taiwan, ranging from the Mainland Affairs Commission of the Executive Yuan to the SEF and to the community of public opinion, all hope that both sides will do their best in a practical, sincere, and intelligent way to make the current "Taipei talks" a success.

The two sides of the strait have undergone a 40-odd-year process from separation to nongovernmental contacts. The historic meeting between SEF Chairman Ku Chen-fu and ARATS Chairman Wang Daohan, which was held in Singapore in April this year, was a great breakthrough in the history of cross-strait relations, as one may well say. To implement the related agreements concluded by the "Ku-Wang talks" and to bring specific results to the four topics under discussion, in August and November SEF and ARATS held two separate rounds of consultations in Beijing and Xiamen. Although there still are some differences between the two sides on such topics under discussion as the repatriation of hijackers, the handling of fishery disputes, and the repatriation of personnel who entered the other side's territory in violation of related agreements, they have reached a consensus on quite a number of issues. This serves as a foundation for the current SEF-ARATS "Taipei talks" to strive for substantial progress.

To create a good atmosphere for the "Taipei talks" the Executive Yuan's Mainland Affairs Commission and the SEF, as hosts for the first time, took a considerably positive attitude toward issues such as consultation of topics to be discussed at the talks between SEF and ARATS, courteous reception of ARATS personnel when entering and passing through customs, and Chiao Jen's issuing an invitation to a meeting with Tang Shubei—for

the first time in the name of SEF secretary general. This shows their good intentions and expectations to strive to make the "Taipei talks" a success.

Kao Kung-lien, vice chairman of the Mainland Affairs Commission of the Executive Yuan, stressed once again today: The SEF devotes the greatest sincerity to the current Taipei talks and will do all it can to reach agreements and solve related problems at an early date. He remarked: The Taiwan authorities have quite high expectations of the current SEF-ARATS talks and hope for agreements on the four topics under discussion, including repatriation and fishery disputes. If the "Taipei talks" succeed, this will be of great help and significance to the new advances in cross-strait relations.

On the eve of the SEF-ARATS talks, Lien Chan, president of the Executive Yuan, made a statement in which he hoped the two sides of the strait would reach an agreement on problems calling for urgent solution. Representing the SEF, Shih Chi-ping hoped both sides would consult with each other sincerely, seek the greatest possible consensus, and solve problems essentially and effectively.

Meanwhile, the community of public opinion on the island is following the current Taipei talks with the greatest interest and highest expectations. The Taiwan-based LIEN HO PAO, CHUNG KUO SHIH PAO, and CHUNG YANG JIH PAO contributed wide coverage to news about the ongoing talks in Taipei between the two nongovernmental intermediary organs, and put it in an important position. Opinion-makers held: Although the current Taipei talks are just the continuation of the previous businesslike consultations between the SEF and ARATS, their political nature long has been self-evident in terms of the composition of negotiators from the two sides and the leading units backing the talks. Thus it can be said that the "Taipei talks" are a meeting of great importance. It is hoped that the SEF and ARATS will set a good example in the mutual advancement of the two sides of the strait in the days to come.

The Taiwan authorities, however, seem very careful on the question concerning the positioning [ding wei 1353 0143] of the "Taipei talks." Huang Kun-hui, chairman of the Mainland Affairs Commission of the Executive Yuan, stressed: The current talks are the continuation of the "Xiamen talks," and are completely businesslike and functional negotiations, absolutely devoid of political topics for discussion. Huang's remarks seem to be deliberately aimed at eliminating the hopes of people on the island for the opening up of a new situation in the political and other fields of endeavor by making use of the success of the "Taipei talks."

XINHUA Views Indirect Cross-Strait Trade

OW1912132993 Beijing XINHUA Domestic Service in Chinese 0342 GMT 2 Dec 93

[Article by XINHUA reporter Wu Ming (6702 2494): "Good and Bad News From the General Trend—on Development of Indirect Cross-Strait Trade"]

[Text] Beijing, 2 Dec (XINHUA)— It is a universally acknowledged fact that there has been spectacular growth in indirect trade across the strait. Still, when people are shown the exact statistics, they find that kind of growth "hard to believe"—the volume of indirect trade across the strait grew 100 times in the 13 years from 1979, according to the latest statistics released by Taiwan's "China Economics Research Institute" in mid-year.

Statistics presents a straightforward picture of the growth in indirect cross-strait trade in recent years: Trade volume for 1979, the year when indirect trade got started, was a paltry \$55 million. By 1990, it expanded to about \$4 billion; it went up to \$5.8 billion in 1991 and \$7.4 billion in 1992. Taiwan has now become the mainland's fourth largest trade partner and fourth largest import market; at the same time, the mainland has become Taiwan's fourth largest export market.

The momentum of this growing trade continued in 1993. In the first half of this year, trade volume grew at a rate of over 20 percent, reaching \$4,166 million. According to Taiwan's "Board of Foreign Trade" statistics, the volume of indirect cross-strait trade topped \$6.3 billion in the first three quarters.

The main reasons for the spectacular growth in trade which economic analysts have noticed is that the mainland has, thanks to the policy of reform and opening up and fast economic growth, displayed, as never before, its attractiveness as a huge market with a very bright prospect. Moreover, the environment for trade has become more relaxed. "Boundless opportunities draw businessmen from all corners."

Meanwhile, the prolonged worldwide economic slump, increasingly fierce competition in overseas markets, and shrinking space in the international market have placed the export-oriented Taiwan economy at a disadvantage. Statistics indicate that Taiwan's trade surplus is declining fast and it has consistently run a huge trade deficit with Japan. Taiwan's "Ministry of Finance" has announced a sharp 22.9 percent drop in Taiwan's foreign trade surplus for the January-October period. Exports to the United States and Europe have continued to decline. The trade deficit with Japan is expected to reach \$14 billion this year, "a new record."

In contrast, cross-strait trade is gaining an increasingly important place in Taiwan's foreign trade. Taiwan's economic departments admit that Taiwan was able to achieve 7 percent growth in exports last year largely due to cross-strait trade. If exports to Hong Kong (most of which is exported to the mainland via Hong Kong) are excluded, Taiwan's export growth rate for last year would be a mere 3.6 percent and the rate for the first quarter of this year would be only 0.6 percent.

For this reason, an executive in Taiwan's business circles noted that a decisive factor for creating a new economic miracle in Taiwan lies in the development of cross-strait economic cooperation and trade. The merging of Taiwan's capital, technology, experience, and international market

with the mainland's manufacturing strengths would be "the greatest help to Taiwan's economic development."

Many businessmen and experts have also pointed out that for years the Taiwan authorities have stuck to many unreasonable regulations and erected artificial barriers to the development of cross-strait trade. Although Taiwan authorities abolished "Procedures for the Control of Goods From the Mainland" and "Procedures for the Management of Goods for Indirect Exported to the Mainland" last April and introduced a new licensing system, the new system still imposes too many restrictions on trade and exchanges between Taiwan and the mainland, in particular banning the export of high-tech products.

As for goods involved in cross-strait trade, the bulk of Taiwan's indirect export to the mainland is made up of raw and semi-finished industrial materials, parts, and components in the four following categories: man-made fibers for yarns and clothes, machinery and equipment, electric and electronics components, and plastic raw materials, which altogether account for 65.7 percent of Taiwan's indirect exports to the mainland. The pattern of mainland exports to Taiwan remains unchanged: Herbal medicine remains on top of the list, followed by semi-finished footwear, parts, blend fabrics, feathers, cigarettes, live and fresh fish, textiles, prior processed timber, and so forth. Knowledgeable sources believe that the present trade pattern across the strait is far from the optimum trade structure possible.

More and more people in the business, economics, and academic circles on the two sides of the strait believe that cross-strait economic cooperation and trade are conducive to both sides' economic needs and the interests of the Chinese nation. Indirect trade is highly inadequate to meet these needs and interests. The Taiwan authorities have to this day refused to open postal, shipping, and commercial links. This has not only increased transport costs for two-way trade, but the ban on direct exchanges has also prevented mainland business and trade personnel from coming to Taiwan, thereby hurting long-term stable development of cross-strait trade.

Official Urges Taipei To Change Trade Policy

HK1912082293 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19-25 Dec 93 p 1

[By Xiao Wang: "Taiwan Urged To Change Trade Policy"]

[Text] A senior Chinese official yesterday urged Taiwan authorities to open direct trade with the mainland to expand the Chinese economy.

"We hope Taiwan authorities will relinquish their unrealistic illusions and facilitate direct trade, mail and aviation links for the benefit of the Taiwan people," said An Min, director general of the Taiwan, Hong Kong and Macao Affairs Department at the Ministry of Foreign Trade and Economic Co-operation (Moftec).

He said the Taiwan authorities should not stick to their guns in resisting direct links between the two sides of the

Taiwan Straits now that international economies are becoming more and more integrated.

He made the remarks in commemoration of the 15th anniversary of a message sent to Taiwan compatriots by the Standing Committee of the People's Congress.

The message calls for direct trade and seeks to reunify the two sides through peaceful settlement.

"It's our sincere hope the Taiwan authorities could square up to the historic trend and discard their unreasonable mainland policies," An said in an interview with BUSINESS WEEKLY.

He observed with regret that trade between the two sides still has to be carried out through a third party, although the mainland called for direct trade 15 years ago.

Taiwan investors have so far pledged over \$14 billion in mainland projects, ranking after Hong Kong as the second-largest overseas investor on the mainland.

"We still welcome more large Taiwan businesses to invest in large projects here," An said, noting that the bulk of Taiwan-funded enterprises on the mainland are smaller ones in the processing sector.

China is now urging international big-name companies to invest in capital- and technology-intensive projects, which will give them wider access to the Chinese market.

China is soon to pass an investment protection law for Taiwan businesses to protect their legal rights.

Despite the Taiwan authorities' restriction on investment in the mainland by large enterprises, analysts said such investment will go ahead anyway, as prices for land and labour are cheaper on the mainland.

Yet the most attractive point is the mainland's decision to allow more sales in its domestic market by Taiwan enterprises which use advanced technologies.

"We insist that both sides cement economic collaboration first to create a booming Chinese economy. Our political disputes can be brushed aside," An said.

"We encourage Taiwan entrepreneurs to take bolder steps to push forward the two-way trade and economic relations."

An said the pace of co-operation between the two sides should be accelerated as world trade faces growing protectionism, embodied by the European Common Market and the North American Free Trade Area.

"Only by growing together can we assume a positive role in the international economic arena," he said.

He called unfounded the skepticism and attacks on the mainland's policy to enhance economic co-operation between the two sides.

Wang Zhaoguo Meets Taiwan University Alumni
OW1612104393 Beijing XINHUA Domestic Service in Chinese 1550 GMT 13 Dec 93

[By reporter Fang Jin (2455 3866)]

[Text] Beijing, 13 Dec (XINHUA)—Wang Zhaoguo, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee, had a meeting here today with members of the delegation of Taiwan University alumni in Hong Kong with Su Honggen as head and Li Jinwen as advisor. Wan Shaofen, deputy head of the CPC Central Committee United Front Department, was present at the meeting.

Wang Zhaoguo pointed out: In recent years, mainland-Taiwan exchanges have become increasingly frequent and closer, and the scope of the exchanges has also become broader. The four accords reached between Wang Daohan and Gu Zhenfu [Ku Chen-fu] last April show that the two sides have made an important step forward. It is hoped that the Association for Relations Across the Taiwan Strait [ARATS] and the Foundation for Exchange Across the Taiwan Strait [SEF] will make further progress when they meet again in Taiwan on 18 December. Only through close cooperation can the two sides of the Taiwan Strait bring their resources into play and only when the two sides complement their resources can China become a prosperous country.

Founded in 1960 and with a membership over 4,000, the Association of Taiwan University Alumni in Hong Kong is an important pro-Taiwan organization in Hong Kong. Su Honggen is its current president. The delegation will visit Beijing from 13 through 17 December.

Answering questions raised by members of the delegation, Wang Zhaoguo said: After Hong Kong is returned to the motherland, the social groups that have already set up there need not close down as long as they abide by the Constitution and the Hong Kong Basic Law. This has been clearly stated by the central authorities. As to the recognition of academic records of Taiwan's college graduates in Hong Kong after 1997, relevant departments will study this issue thoroughly and this project will be accomplished by 1997.

Wang Zhaoguo said: The level of China's education is very high and Chinese people are smart. This can be seen from the many awards they have won in international science contests. We welcome academic exchanges between colleges on the mainland and Taiwan and we thank those scholars on both sides of the strait who have contributed ideas useful for building a prosperous country.

Reportage on Cross-Strait Talks on Hijackings

Official Reports 'Progress'

OW1812090693 Taipei CNA in English 0759 GMT
18 Dec 93

[By Sofia Wu]

[Text] Taipei, Dec. 18 (CNA)—Progress has been made in negotiations on the repatriation of mainland Chinese hijackers during the first-ever cross-Taiwan strait talks in Taipei, Taiwan's chief negotiator said Saturday [18 December].

Hsu Hui-yu, deputy secretary-general of the Straits Exchange Foundation (SEF), told a news conference that the two sides have agreed to resolve the "hijacker repatriation problem" based on the spirit of mutual respect and humanitarianism.

Hsu said the mainland delegation has agreed to consider a SEF proposal that hijackers not be repatriated under "certain conditions" such as for political purposes or religious reasons.

Currently, Taipei returns the plane and passengers to the mainland, while prosecuting and incarcerating the hijackers in Taiwan.

Hsu said the two sides have also agreed that hijackers of all hijacked civilian aircraft, including both passenger and cargo planes, should be repatriated, and the side where the hijacked aircraft lands is entitled to detain hijackers for questioning before repatriation.

During the previous talks in the southeastern mainland Chinese city of Xiamen, Hsu said, the mainland delegates insisted that all hijackers be repatriated regardless of their motive, purpose or identity.

The repatriation of mainland hijackers has become a hot issue in recent months as nine mainland Chinese airliners have been hijacked to Taiwan since April.

The two sides will meet again Sunday morning to discuss technical details and the wording of a final agreement on the issue, Hsu noted.

The Taipei round of cross-strait talks began at 9 a.m. at the Chinatrust Commercial Bank building in downtown Taipei amid tight security as hundreds of Taiwan independence activists, led by several opposition Democratic Progressive Party legislators, demonstrated at the site.

The mainland delegation, which arrived in Taipei Friday, was headed by Sun Yafu, deputy secretary-general of the Beijing-based Association for Relations Across the Taiwan Strait (ARATS).

SEF and ARATS officials will discuss repatriation of illegal mainland immigrants and criminals Saturday afternoon. They will also discuss some other matters of mutual concern in the next few days, including cross-strait fishing disputes, simplification of procedures for exchange of visits by SEF and ARATS staff and protection of Taiwan investors on the mainland.

Draft Agreements Exchanged

OW1812085693 Taipei CNA in English 0821 GMT
18 Dec 93

[By Bear Li]

[Text] Taipei, Dec. 18 (CNA)—Negotiators in the third round of cross-Taiwan strait talks are working towards an agreement on the repatriation of mainland hijackers, according to Sun Yafu, Mainland China's chief delegate to the talks which opened here Saturday [18 December].

"Consensus has been reached on some of the issues," Sun, deputy secretary-general of the mainland's Association for Relations Across the Taiwan Strait (ARATS), said at a news conference held following the conclusion of the morning negotiations.

Sun said both sides had already exchanged draft agreements on the hijacking issue, and the contents of the drafts will be discussed on Sunday morning.

He said the talks, the third since April, "are proceeding in a very good atmosphere."

Meanwhile, Hsu Hui-yu, deputy secretary-general of the Straits Exchange Foundation (SEF) and leader of the Taipei delegation to the talks, said greater progress has been made in the first day of discussion than during the previous round of talks in Xiamen, Mainland China last month.

Hsu said that the mainland has agreed to Taipei's proposal that all civilian aircraft, including passenger and cargo planes, be covered by the repatriation agreement. The mainland had originally proposed the exclusion of cargo aircraft.

Meetings Not 'Secret'

OW2012063793 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
19 Dec 93

[From the "Hookup" program]

[Text] The chief negotiators of the Taipei talks—Hsu Hui-yu of the Strait Exchange Foundation [SEF] and Sun Ya-fu of the Association for Relations Across the Taiwan Strait [ARATS]—have openly clarified a private meeting between them. They pointed out that they were exchanging views on the wording in the draft of the agreement on the repatriation of hijackers, and were not holding a so-called secret meeting.

Hsu Hui-yu emphasized that the outside speculation was caused by controversy over whether such a meeting should be absolutely open or relatively open to the public. SEF Secretary General Chiao Jen-ho has confirmed that SEF chief negotiator Hsu Hui-yu was authorized by the Mainland Affairs Council and himself to hold a working meeting with ARATS chief negotiator Sun Ya-fu on the evening of 19 December; and the two discussed the wording of the draft agreement on repatriation of hijackers, and were not holding so-called secret talks.

Chiao Jen-ho said that he did not attend the meeting because it was held merely to discuss the agreement's wording.

Talks Make 'Major Breakthrough'

OW2012062793 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 19 Dec 93

[From the "Hookup" program]

[Text] The Taipei talks began its second-day agenda on 19 December. Negotiators from the Strait Exchange Foundation [SEF] and the Foundation for Exchanges Across the Taiwan Strait [ARATS] made a major breakthrough in discussing the repatriation of hijackers. The two sides have reached a common understanding on the guiding principle of humanitarianism for the repatriation of hijackers. Under such a premise, the two sides will find the proper wording to solve relevant difficult questions concerning the judicial jurisdiction of the two sides, such as the question of no repatriation of political prisoners and no repatriation of one side's own people [ji fang ren min] to the other side. To our knowledge, an agreement in this regard is expected to be reached during the Taipei talks due to the realistic and compromising attitude of both sides.

While the talks were proceeding smoothly, a mighty uproar was caused by a report that the negotiators held secret talks on the evening of 18 December. The chief negotiators of the two sides have clarified the event, denied any secret talks, and said that the two sides only exchanged drafts of the agreement on repatriation of hijackers to smooth the talks and there were no behind-the-scene operations whatsoever. However, people think that the event perhaps has already created an uncertainty for the present agenda of the Taipei talks, and even for the visit to Taiwan by ARATS Executive Vice Chairman Tang Shubei.

Return of Criminals Discussed

OW2012082393 Taipei CNA in English 0757 GMT 20 Dec 93

[By Bear Li]

[Text] Taipei, Dec. 20 (CNA)—Talks between Taiwan's Straits Exchange Foundation (SEF) and Mainland China's Association for Relations Across the Taiwan Strait (ARATS) remain deadlocked over how to handle the repatriation of criminals.

The talks, the third such SEF-ARATS meeting since Singapore negotiations held last April, have so far been unable to produce agreement on any of the issues after two and a half-days of discussions.

"We are not sure whether any accord will be reached before the end of the five-day talks," Hsu Hui-yu, chief Taipei negotiator and SEF deputy secretary-general said.

"We should be more patient in conducting the talks since we are dealing with very complicated topics," he added.

"We failed to produce any breakthrough in this morning's negotiations on the repatriation of criminals although we are sincere and eager to solve this problem," Sun Yafu, ARATS deputy secretary and head of the mainland delegation to the talks, said after leaving the negotiating room.

During the morning negotiations, the two sides were divided on the definition of criminality, avoidance of double punishment for the criminals after they are repatriated and whether each should have the right to unilaterally repatriate criminals.

Discussion on the repatriation of illegal migrants and hijackers is expected to take place Tuesday [21 December].

Hsu said the talks may be extended for a few more days if no agreement is reached before the scheduled Wednesday deadline.

Taipei on 'Secret' Meeting

OW2012084093 Taipei CNA in English 0745 GMT 20 Dec 93

[By Danielle Yang]

[Text] Taipei, Dec. 20 (CNA)—Taipei's chief negotiator at the ongoing cross-Taiwan Strait talks issued an apology Monday [20 December] for not informing the public about a secret round of talks Saturday night.

Straits Exchange Foundation (SEF) Deputy Secretary-General Hsu Hui-yu and Sun Yafu, deputy secretary-general of the Mainland's Association for Relations Across the Taiwan Strait (ARATS) met late Saturday night to exchange draft agreements on the repatriation of hijackers.

Hsu apologized for not informing the public about the meeting and promised to make a full report about all developments made during the remainder of the talks.

Meanwhile, Sun explained that the exchange of texts during the secret meeting was necessary in order to facilitate discussions for the next day.

MAC Official on Talks

OW2012102793 Taipei CNA in English 0750 GMT 20 Dec 93

[By Debbie Kuo]

[Text] Taipei, Dec. 20 (CNA)—A Mainland Affairs Council (MAC) official Monday [20 December] urged Beijing authorities to respect Taiwan's legal jurisdiction and face the reality that Taiwan and Mainland China are two separate political entities under separate governments.

MAC Vice Chairman Yeh Chin-fong made the remark in reference to Taiwan's handling of mainland hijackers during a report to the Legislative Yuan.

Yeh said Taiwan has been handling the hijackings in accordance with international practice, which calls for separate treatment of the plane and its hijacker.

She added that Taiwan cannot treat hijackers like ordinary illegal immigrants and repatriate them according to the

Kinmen agreement. As a result, she said, SEF and ARATS must reach agreement soon to end the recurring crime.

She expected that negotiators from the Beijing-based Association for Relations Across the Taiwan Strait (ARATS) will take a pragmatic attitude toward hijacking negotiations and eventually reach a consensus with the Straits Exchange Foundation (SEF).

She said it was pitiful that the mainland side has repeatedly evaded discussion of what legal force such as a mediation should have and the question of Taiwan's legal jurisdiction.

Four more hijackings have occurred since SEF and ARATS delegations met in Xiamen, Mainland China for talks this November, but negotiations are still deadlocked because the groups cannot reach a consensus on legal jurisdiction, she explained.

Police Mobilize To Secure Talks

*OW1812090793 Taipei CNA in English 0825 GMT
18 Dec 93*

[By Sofia Wu]

[Text] Taipei, Dec. 18 (CNA)—More than 500 policemen were mobilized Saturday [18 December] to secure the site of the first Taiwan-Mainland China talks in Taipei.

Delegates from Taipei's Straits Exchange Foundation (SEF) and Beijing's Association for Relations Across the Taiwan Strait (ARATS) began a new round of talks on some pressing issues Saturday at the Chinatrust Commercial Bank building.

Police were called in to deal with protesters from the opposition Democratic Progressive Party (DPP) who had surrounded the building.

Despite minor clashes between policemen and the 200-strong demonstrators, no casualties or damage were reported. The demonstrators left the site after the morning session of the SEF-ARATS meeting ended at noon.

Shen Fu-hsiung, a DPP legislator, said the opposition party organized the demonstration to let Beijing know that many people here support the Taiwan independence movement.

"Against this background, we hope mainland authorities will no longer block Taiwan's diplomatic efforts or downgrade Taiwan's status in the international community," the physician-turned lawmaker said.

Shen added that the call for independence has been a spontaneous phenomenon and was not instigated by any foreign country as claimed by Beijing authorities. He urged Beijing to recognize Taiwan as an independent sovereign state.

Shen said similar demonstrations will be staged at the meeting site over the next few days.

Trade With Former Soviet Countries Increases

*OW1812093793 Taipei CNA in English 0733 GMT
18 Dec 93*

[By Daneille Yang]

[Text] Taipei, Dec. 18 (CNA)—Two-way trade between Taiwan and the former Soviet Union registered a fivefold increase during the first 11 months of 1993, according to statistics released by the Euro-Asia Trade Organization (EATO) Saturday [18 December].

Bilateral trade with the area amounted to US\$910.1 million during the period, an increase of US\$758.5 million or a 503 percent growth over the same period of 1992.

Taiwan's imports reached US\$815.1 million, an increase of US\$687.7 million, or up 539.8 percent from a year earlier.

Exports totaled US\$95 million, an increase of US\$70.8 million or a 292 percent growth from the previous year's tally, the statistics showed.

Antidumping Taxes Due on Foreign Chemicals

*OW1812100493 Taipei CNA in English 0743 GMT
18 Dec 93*

[By Sofia Wu]

[Text] Taipei, Dec. 18 (CNA)—The Ministry of Finance has decided to levy anti-dumping taxes on some chemical products from South Korea and Brazil, a spokesman for the ministry's Tariff Rate Commission said Saturday [18 December].

The ministry has proposed the imposition of four-month temporary anti-dumping taxes on high density and low density polyethylene (HDPE and LDPE) from South Korea, and a 32 percent anti-dumping tax on nitrocellulose from Brazil, the spokesman noted.

The new taxes will take effect after cabinet approval, the spokesman said.

After several months of investigation of a dumping charge filed by Usi Far East Corp., the spokesman explained, the tariff commission found many Korean companies, including Samsung and Hyundai, had sold their HDPE and LDPE to Taiwan at prices below fair market value.

"As the unfair trade practice has hurt local petrochemical manufacturers, the commission has decided to levy temporary anti-dumping taxes on those Korean products," the spokesman said.

The anti-dumping tax rates will vary with the products and the market shares of different companies. For instance, the proposed tax rates for LDPE and HDPE from Samsung are 11.44 percent and 6.77 percent, respectively. The proposed rates for LDPE and HDPE from Hyundai are 11.24 percent and 13.05 percent, and the rates for LDPE and HDPE from other Korean companies are expected to be 17.39 percent and 29.16 percent.

The dumping charge against Brazil was filed by Tac Industrial Co. in August. The tariff commission found Brazil had sold its nitrocellulose to Taiwan at prices far below those quoted in the Brazilian market and thus decided to levy a 32 percent anti-dumping tax on the Brazilian product, the spokesman noted.

The commission also decided Saturday not to impose anti-dumping taxes on hot-rolled steel plates from several

Korean and Brazilian companies for the time being because those firms have promised to limit their exports to Taiwan, the spokesman said.

Meanwhile, the commission decided to investigate a charge against the United States, Canada, Brazil and Indonesia for dumping bleached hardwood sulphate craft pulp in Taiwan.

Hong Kong

Patten Stresses Need for UK-PRC Cooperation

HK1812055093 Hong Kong SOUTH CHINA
MORNING POST in English 18 Dec 93 p 21

[Interview with Hong Kong Governor Chris Patten by Fanny Wong and Chris Yeung on 17 December; place not given]

[Text] [SOUTH CHINA MORNING POST] Now that talks have broken down, the Chinese Foreign Ministry spokesman said Sino-British relations including trade will be affected. Do you think that it will affect British interests? Do you really care?

[Patten] The main British interest which is at stake is our concern for the future of Hong Kong. That is what priority we have on our agenda. We signed the Joint Declaration in good faith 10 years ago. We intend to do everything required to implement it. People talk about the impact of our determination to stand up for Hong Kong. There is no element in British-China relations that is as important as the proper carrying out of our responsibilities in this community.

Secondly, has the Foreign Ministry spokesman listened to what the President (Jiang Zemin) said? I assume he has. The President, Jiang Zemin, when he went to see President Clinton, said that we should keep politics and trade apart. We shouldn't allow our economic relationship to be infused by political considerations. I very much agree with that. I found the statement (the Foreign Ministry's) rather puzzling for another reason. The last figure that I saw showed that China had a two-to-one surplus with Britain in trade. I assume that that is a situation which China is enthusiastic about. And what is China attempting to do at the moment? China is attempting to join the GATT, which has rules about fair trade. Who is supporting the Chinese application to join GATT? Not every developing country, but one which has been prominent in supporting China is the United Kingdom. So I think it is sensible to follow President Jiang's advice and to keep these issues sensibly separated.

We're engaged here with China in an intensely difficult enterprise. It would be surprising if during that enterprise we would agree on absolutely everything, particularly since China appears to be saying that unless you agree with everything we want we are not going to make any effort to agree with you. In those circumstances, I think we need to make sure that we co-operate on the vast range of things on which there is no real disagreement. Why not co-operate, for example, much more positively and enthusiastically on that whole range of issues which has no politics in it. Your question presupposes that the talks are breaking down. I'm very reluctant to accept that. We had no formal statement to that effect from the Chinese side though they have referred this to the statement made by the Foreign Affairs spokesman yesterday. My position and that of the British Government remains clear that until we are obliged by the calendar to introduce the final bill, dealing with the more controversial issues, we will be happy to talk to the Chinese

side at any time. As far as we're concerned, we are not ending the talks. We are leaving our papers on the table. We are leaving the door open and I hope the Chinese side won't decide to simply walk away from the table and lock the door.

[SOUTH CHINA MORNING POST] Is it true to say that it is no longer realistic to expect full co-operation between the two governments on Hong Kong in the next three years?

[Patten] What I said is that we'd still like to co-operate on resolving the difficult outstanding political issues. I certainly want to co-operate on everything else. If we don't co-operate on economic, social issues and livelihood, who suffers? People of Hong Kong suffer. People of southern China suffer. Anson Chan made an extremely powerful point just after she was appointed. She said: Look! This is an overwhelming Chinese community. Nobody here wants to see that transfer of sovereignty work out other than hugely successfully. We want, she said, to see a real success for Hong Kong and China. That is the fervent wish of the overwhelming majority of people of Hong Kong. Why not recognise that? Is it a case that some Chinese officials don't trust the people of Hong Kong? Is it the case that the only people they trust are the members of the Preliminary Working Committee? There are six million people who have written one of the great success stories of all time here in Hong Kong. And we want to help write as great a success story to the north. So why not co-operate?

[SOUTH CHINA MORNING POST] If China chooses not to co-operate, will you have to think of a contingency plan? How are you going to lead Hong Kong, without China's cooperation, towards a smooth transition in 1997?

[Patten] I have to say if you ask me what happens if China doesn't co-operate, I have to say, what's new? I am afraid we haven't had nearly as much cooperation as we would have liked or as the people of Hong Kong have every right to expect. In the last three and one-half years, think of any other two countries in the world which would find it so difficult to decide on the financing of an airport; it's not the Hong Kong government's fault, not the British Government's fault. We have a port which adds container capacity equivalent to Seattle or Oakland every year... so how can it be difficult for those who are concerned about the prosperity of Hong Kong to agree on a container terminal? How come, welcomed as it is now, that we agreed on the localisation of civil aviation legislation, it takes nearly seven years. Look at what has been achieved through the JLG (Joint Liaison Group), look at what we still need to do. I don't believe, alas, that we are looking back nostalgically on an era of spectacularly fruitful co-operation. I wish we were. What we've got to do is to co-operate more in the next three and one-half years than we have in the last three and one-half years. We stand ready to do that.

[SOUTH CHINA MORNING POST] Isn't it a reality that if the relationship breaks down or remains uncertain, co-operation in other areas, economic, livelihood, or other social issues will be further affected?

[Patten] That is a question, with respect, for Chinese officials, not a question for me. Does co-operation mean you must do whatever China tells you to do or else? Is that co-operation? Is that what's meant by all those fine phrases in the Joint Declaration? I think that whatever the present rhetorics, we will find as the next 42 months—that is all it is—whistle past, we will find that there is growing and closer co-operation because there has to be; there's no other choice.

[SOUTH CHINA MORNING POST] Sir David Ford said we need an agreement on the airport before the end of the year. Given we are in such a good financial position, is the Government prepared to go it alone all by public money if China refuses to offer an accord?

[Patten] Everybody knows that the airport is being built. The only question now, as I said 18 months ago, is not whether the airport will be built but when. It's more difficult to answer when, sooner rather than later, because we haven't got an overall financing agreement, again I think, through no fault on our part. We are going to talk to the Legislative Council shortly about the best way forward. But I want to make two things clear: We will do as much as we can to discharge our obligation under the Memorandum of Understanding on the airport whatever China does, but I am not going to run a risk with Hong Kong's finances in order to try to beat the clock with the airport and I am not going to recommend financing arrangements which don't make sense. If the airport is delayed, that will not be our fault. But it will cost the future SAR Government in lost revenue and in lost economic growth and it will cost the whole community.

[SOUTH CHINA MORNING POST] You are ruling out that the Government will pay for the full cost of the airport?

[Patten] It is very important for Hong Kong's future to have the airport completed as soon as possible. The sight of an aeroplane wallowing in the harbour, I think, was a reminder to people of how much we need the new airport. But would people in Hong Kong thank us if we said we are going to use up all Hong Kong's reserves?

[SOUTH CHINA MORNING POST] You don't have to use up the surpluses?

[Patten] We will continue to have very good surpluses and there are two different points: whether we can continue to do things ourselves and my answer to that is affirmative, provided Legco is happy with the way forward. The second question is should we do everything ourselves? I think if you were to chuck all Hong Kong's reserves at the airport, a lot of people would think, understandably, that you were taking risks. What happens if there are direct international economic problems? I want Hong Kong to have a very substantial cushion against any difficulty. I think that is more important than a few months either way in when we can complete the airport. I don't believe that we are going to be judged on, above all, the precise date by which the airport is finished. I think there are other rather weightier

matters which we will be judged on. I repeat, we will do everything we can to finish the airport as soon as we can.

Patten Proposes 'Through Train' Talks to Beijing

HK2012075693 Hong Kong SOUTH CHINA MORNING POST in English 20 Dec 93 p 1

[By Fanny Wong and Chris Yeung]

[Text] Governor Chris Patten has written to the senior Chinese official in charge of Hong Kong affairs, Lu Ping, proposing talks on the through train arrangements for senior officials to ensure continuity in the top echelons of government.

Despite the gloom over Sino-British co-operation, which makes any chance of early discussion remote, he says he is sure that talks will take place because it will be beneficial to both China and Hong Kong.

Mr Patten said China had yet to offer any positive response.

"I would like to be having it (the discussions) now, whenever Chinese officials want. They know where I live," Mr Patten said.

Noting that he had told Mr Lu about the appointment of Anson Chan Fang On-sang as Chief Secretary before it was announced, Mr Patten said he had also proposed "more than once at talking [as published] to him about senior civil service appointments".

"We will have those discussions in due course, I am sure," said Mr Patten, pointing out that it was in China's and Hong Kong's interest to do so.

Under the Basic Law, senior officials will be appointed by the chief executive of the Special Administrative Region (SAR). An understanding between China and Britain on the senior appointments has been seen as crucial in ensuring a smooth administration after the 1997 change-over.

Notwithstanding Mr Patten's optimism, it is understood that China is not enthusiastic in working out an agreed list with Hong Kong at present, given the hostile mood in Sino-British relations.

There have also been fears that China might decide to compile its own list of senior civil servants for the SAR.

Mainland officials and Hong Kong affairs advisers close to Beijing said it was likely that China was keeping an eye on the performance of senior civil servants.

But it was too early to say whether some had been singled out to lose their jobs after 1997 and whether some pro-China figures might be drafted to the civil service, one adviser said.

Mr Patten stressed that it was important for China to allow incumbent civil servants to continue to be appointed after 1997 on grounds of merits.

This would help ensure a smooth transition and maintain the morale of the civil servants, he added.

"I think any indication that they wish to politicise the civil service would be badly received," said Mr Patten.

"I don't want to try to do the job of the Hong Kong SAR for it, that wouldn't be proper. But it would be my judgment that in order to ensure a smooth transition, one would want to have experienced civil servants on the top jobs," Mr Patten said.

"But if I were assuming responsibilities for Hong Kong as sovereign power in 1997, I'd want the best and most experienced public servants in the most difficult jobs. I think that there is not a very strong argument for parachutists." If China remained unprepared to engage in talks on senior civil service appointments, Mr Patten said the Government would go on governing Hong Kong as competently as possible.

XINHUA Official: UK Move 'Ridiculous'

OW1912095693 Beijing XINHUA Domestic Service in Chinese 0837 GMT 19 Dec 93

[Text] Hong Kong, 19 Dec (XINHUA)—Zhang Junsheng, deputy director of the XINHUA NEWS AGENCY's Hong Kong branch, said: The British side continues to express its hopes for reopening talks after having terminated them unilaterally. This is like inviting somebody in after closing the door. It is very ridiculous.

In remarks during a public appearance on 18 December, Zhang Junsheng pointed out: The Sino-British Joint Declaration states that during the transitional period, Britain will be responsible for Hong Kong's administration with the aim of maintaining the region's prosperity and stability, and that China will cooperate in this connection. The British Government, especially Chris Patten, now wants to change the policy toward Hong Kong, and it does not even want to carry out the provisions in the Joint Declaration. Over the past year or so, it has sowed man-made chaos in Hong Kong, thereby causing certain damage to Hong Kong's economy and other areas of its operation. Hong Kong would have achieved even better economic and social development had Britain not adopted such an erroneous policy. He pointed out: Hong Kong's current achievements are mainly the result of joint efforts by Hong Kong residents; they are by no means favors bestowed on Hong Kong by Britain.

PWC Member Makes New 'Through-Train' Proposal

HK1812061293 Hong Kong THE STANDARD in English 18 Dec 93 p 1

[By M Y Sung and Michael Smith]

[Text] China could allow members of Hong Kong's three tiers of government to retain their seats after 1997 through an automatic appointment system, under proposals to be discussed by the Preliminary Working Committee (PWC).

Moving away from China's previous threats of fresh elections, a member of the PWC, a China-controlled shadow government for Hong Kong, said yesterday that new elections would be too expensive. Raymond Wu said the PWC would have to establish a mechanism to determine the makeup of the post-1997 legislature, district boards and municipal councils. "No through-train for three tiers of government does not mean all the members elected in 1994-95 will not be able to continue their services after the changeover. They may just need to get off the train for a short while before they can get back to their seats," he said.

Wu's comments came as Governor Chris Patten warned China against carrying out threats of damaging Sino-British trade because of the political row. After Patten tabled a partial constitutional reform bill in the Legislative Council this week, China called off further talks and said fresh elections would be held. The political row did not affect investor confidence yesterday, with Hong Kong Bank predicting the territory's economy would expand 5 per cent next year. "Hong Kong's economic momentum is likely to be sustained in the coming year by the continued expansion of the economies of developing Asia," a Hong Kong Bank strategic report said. But it warned that the political storm could hurt Hong Kong if China withdrew its support for massive building projects, including the airport and container terminal projects.

Executive councillor Edward Chen said Patten should introduce the more controversial sections of his political package before Lunar New Year, in February. But Patten refused to set a timetable for the introduction of the more controversial political reform plans, saying he wanted to leave the door open for further negotiations. "We've got a bit of time and until we have to bring forward the rest of the proposals, we are prepared to talk with the Chinese side at any time," he said. Patten said there was still the possibility of talks resuming, although China had repeatedly dismissed the chance of further talks.

Guangdong Governor on Impact of Political Reform

HK1912074193 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 19 Dec 93 p 2

[By Andrew Laxton, Dick Chan, and Kerry Wong in Guangzhou]

[Text] Guangdong Governor Zhu Senlin yesterday reiterated economic ties with Britain were sure to be harmed by the dispute over political reform. "The political and economic co-operation between China and Britain cannot be separated," he said. "Investment in this region will unavoidably be affected after what has been said."

Mr. Zhu's comments came a day after it was revealed that China had excluded most British companies from an underground railway project in Guangzhou because of the Sino-British row over electoral reforms in Hong Kong. News of the decision emerged on Friday when Guangzhou Mayor Li Ziliu accused the British of playing "tricks" and warned that business opportunities for British firms on the mainland would be affected as a result.

"About 80 percent of major contracts on the project could have been awarded to British bidders," Mr. Li said, "but as Sino-British ties worsened due to the row, most of them have been given to German companies." He said British companies were able to win only 10 per cent of the contracts for the 10 billion yuan (HK\$ 13.4 billion) railway, one of the biggest infrastructure projects in China.

Mr. Li's comments sparked immediate anger from British industry officials, with some describing the move as "regrettable" and "petty." And the Senior British Trade Commissioner in Hong Kong, Francis Cornish, yesterday warned that British companies would not be able to persuade Governor Chris Patten to withdraw his proposals.

"If the Chinese think that by discriminating against British trade they will change the Governor's mind, then I am afraid they have got it wrong," he said. However, he said there was no sign trade ties had been affected by the political row.

Mr. Cornish said Sino-British trade had increased by more than 80 percent in the first three quarters of this year and this had not been affected by the breakdown in talks. He also pointed out that Chinese officials appeared to have conflicting views: "There are extremely senior people in China, such as President Jiang Zemin, who quite recently suggested very clearly that they will not go down this road. So there are inconsistencies."

Last week Beijing attacked Mr. Patten for submitting a partial electoral reform bill to the Legislative Council. The Chinese Foreign Ministry said the move ended seven months of Sino-British talks without agreement on the Governor's proposals for greater democracy in the territory.

"What the British side has done has sabotaged the talks so this will surely affect Sino-British relations, including economic and trade relations," a ministry spokesman said.

Mr. Li said there were "still a couple of contracts for the project available for bids, but British companies will have no chance". "We certainly consider the current relations between bidders' countries and our country when we select [contractors]," he said.

The boycott of British firms caused anger in Britain, but the Confederation of British Industry (CBI) urged companies "not to be deterred from trading with China." John Dunkley, of the CBI, said: "This is a most regrettable incident. It appears to be quite petty. At the beginning of the month the Chinese Ambassador in London gave a talk to the CBI, and said the talks over Hong Kong would not affect trade relations."

British exports to China have risen from 322 million (HK\$3.7 billion) in 1991 to 545 million so far this year. The value of Chinese exports to Britain has risen from 707 million in 1991 to 939 million this year.

A spokesman for the Institute of Directors, based in London, said of the Chinese statement: "If this is true then

the boycott is quite ridiculous." When German Chancellor Helmut Kohl visited China last month, his delegation won contracts worth billions for German firms.

Commentary on Chris Patten's 'Vile Move'

HK1712090693 Beijing CHINA DAILY in English 17 Dec 93 p 4

[CHINA DAILY Commentary: "A Vile Move"]

[Text] Hong Kong Governor Chris Patten formally submitted part of his "constitutional bills" concerning 1994/1995 election arrangements in the region to Hong Kong's Legislative Council on Wednesday.

The unilateral move, which was taken despite repeated opposition and warnings from the Chinese Government and many Hong Kong residents, effectively terminated the four-month-old [as published] negotiations on the issue between China and Britain. Furthermore, it has sabotaged the basis of Sino-British co-operation.

Under such circumstances, it leaves China little choice but to reject the electoral arrangements proposed by Patten. Naturally, China will not allow any institution based on the aforesaid arrangements to continue functioning after June 30, 1997.

The tabling of Patten's partial electoral plan to Hong Kong's Legislative Council has created artificial turmoil in the last stage of the transitional period and created obstacles for a smooth transition of sovereignty to China in 1997. The British side naturally should be held responsible for all consequences that may arise.

From the very beginning of the Sino-British talks, the Chinese side had been soberly aware of two possibilities: agreement or no agreement.

The Chinese had all along hoped for an agreement and had done everything possible toward this end. What has happened now, though not surprising, is certainly against the wishes of the Chinese people and will do no good for the British side.

However, the move taken by the British will not change the fact that the Five-Star red flag will fly over Hong Kong in three-and-a-half-years time; nor will it sway China's resolve to implement the Basic Law in all aspects and to maintain Hong Kong's stability and prosperity before and after 1997 in accordance with the policy of "one country, two systems."

As a matter of fact, it is necessary for the Chinese Government to make contingency plans to cope with possible chaos and to minimize adverse effects that the British move may cause in Hong Kong.

Vice-Premier and Foreign Minister Qian Qichen warned in Beijing over the weekend that China would not sit idly by if turmoil breaks out in Hong Kong in the run-up to 1997.

A spokesman for the Xinhua News Agency's Hong Kong Branch announced on Wednesday that the 57-member

Preliminary Working Committee of the Preparatory Committee of Hong Kong Special Administrative Region, set up five months ago to prepare for the transfer of power in 1997, has begun a "substantial working stage."

The Chinese Government has also welcomed all those who support the Basic Law and the smooth transition to participate in a more active manner in the work of the Preliminary Working Committee.

To end colonial rule in the Chinese territory and to recover China's sovereignty over Hong Kong is a long-cherished wish of the whole Chinese nation. It is a historical trend that cannot be reversed.

It is firmly believed that with the backing of the Chinese people both on the mainland and in Hong Kong, the return of Hong Kong to China will be realized, stability and prosperity in Hong Kong will be maintained and the interests and welfare of 6 million Hong Kong people will be guaranteed.

Commentary on Tabling Hong Kong Reform Bill

OW1812131393 Beijing XINHUA Domestic Service in Chinese 1014 GMT 18 Dec 93

[Commentary by XINHUA reporter Duanmu Laidi (4551 2606 0171 1229): "What Is the British Intention Behind Its Willful Act?"]

[Text] Beijing, 18 Dec (XINHUA)—Despite strong opposition from the Chinese side and from people of all walks of life in Hong Kong, the British authorities in Hong Kong went ahead and tabled the partial "reform bill" to the Gazette, Hong Kong British Government's official bulletin, and submitted it to the Legislative Council [Legco] on 15 December. The second annex of the Sino-British Joint Declaration clearly stipulates that implementing the Joint Declaration and adopting measures to bring about smooth transition in 1997 are matters and responsibilities of the Chinese and British Governments. Now, the British side has brazenly pushed an issue which the Chinese and British Governments failed to resolve through consultations onto a consulting organization under the British colonial setup for solution, in an attempt to turn an issue concerning the two governments into an issue concerning China, Britain, and the Hong Kong Legco. It is very obvious that this British action has contradicted the Joint Declaration.

According to the Sino-British Joint Declaration, any unilateral action taken by the British side on matters that extend beyond 1997 related to the transfer of political power will be null and void. Lu Ping, director of the State Council Hong Kong and Macao Affairs Office, recently indicated specifically: The terms of Hong Kong's council members at all three levels elected in 1994/95 can only last until 30 June 1997. No laws passed by the British authorities in Hong Kong before 1997 have the right to dictate that the terms of the council members at any level can go beyond 1997. Therefore, on no account will the Chinese

side accept any election programs passed by Hong Kong's Legco and accept any organization formed on the basis of the programs.

Everyone knows that Britain has major economic interests in Hong Kong. Precisely because of this, the British side cannot but admit this unavoidable reality—namely, after China resumes its sovereignty over Hong Kong, Britain can preserve its fundamental interests in Hong Kong only by maintaining cooperative relations with China. This is the reason for the existence of the Sino-British Joint Declaration, a series of agreements reached by the two sides, and a memorandum of understanding on Hong Kong's new airport. Given these arrangements, why is the British side now abandoning cooperation and going further and further along a road of confrontation with China, and what are its intentions?

People here pointed out: In the final analysis, the reason the British side employed tricks and made a great issue out of the Hong Kong's so-called "political reform" was none other than for the sake of enabling it to continue ruling Hong Kong in practice after being forced to "gloriously withdraw" from Hong Kong. This is what was called "substituting sovereignty with administrative power": giving China mere nominal sovereignty while retaining administrative power itself. No matter how convincing Hong Kong Governor Patten sounds and no matter how many political gestures he makes, Britain cannot hide its secret scheme from Hong Kong or even the world as a whole.

Britain's history in this respect is extremely inglorious. The whole world knows that whenever Britain had to withdraw helplessly from one colony after another, either it would reap for itself enough benefits of all kinds from that place, or it would make that place a complete mess, leaving behind endless troubles. In Hong Kong, from where British colonialism is about to bow out, Britain certainly will not act kindly in this regard. As for Hong Kong Governor Chris Patten, who is playing the main role in this inglorious game, there is certainly a personal goal here for him to consider—namely, reaping enough political capital here for galvanizing his otherwise gloomy political future with some golden hue.

Britain has occupied Hong Kong for 150 years. Ever since China decided to resume exercising its sovereignty over Hong Kong according to schedule, Britain has not given up its illusion of possessing "administrative rights" in Hong Kong after 1997. As early as 1984, when the Sino-British Joint Declaration had not yet been initialed, the British Government in Hong Kong spelled out a plan for speeding up the development of the so-called "representative political system" in an attempt to make substantial changes in the practical original political system in Hong Kong. Then, on 23 July 1990, the British Parliament adopted the "British Nationality (Hong Kong) Law" and spelled out the "Plan for the Right of Abode in Britain" to divide the Hong Kong people and infringe upon China's sovereignty. On 4 December 1990, the British side again manipulated the Legislative Council of the British Government in Hong

Kong to overturn the accord which China and Britain had reached on the court of last instance. Last year, before he had been in his office for three months, Chris Patten circulated his "political reform bill," which goes against the "three principles" [referring to adherence to the Sino-British Joint Declaration, convergence with the Basic Law of the future Hong Kong Special Administrative Region, and the observance of the agreements and understanding reached by China and Britain]. All these moves are for the purpose of extending Britain's influence in Hong Kong for a long period of time. As a matter of fact, Britain simply does not consider those Joint Declaration provisions governing Britain's responsibilities in Hong Kong during its transitional period, Hong Kong's stable transition, and the smooth transfer of power.

China will never allow its territory and sovereignty to be divided. In 1997, Britain must completely return sovereignty and administrative power over Hong Kong to China. This is beyond doubt. Under all circumstances, China and people in Hong Kong will firmly oppose any act that violates China's sovereignty. Britain's attempt to organize councils at three levels in Hong Kong according to its own design and impose them on the HKSAR after 1997 will be of no avail.

What is ludicrous is that Britain, after it unilaterally closed the door of Sino-British talks, now suddenly talks glibly about the holding of the 18th round of talks and speaks with absorbing interest that it did not want to leave the negotiation table. This shows that Britain is trying to play tricks and is attempting to do whatever it fancies.

When meeting with the British foreign secretary on 31 July 1984, Comrade Deng Xiaoping pointed out that China did not want to see the occurrence of five specific situations during the transitional period. Among other things, he said that he hoped the British Government in Hong Kong would not create a group during the transitional period and then impose it on the HKSAR government in the future. Unfortunately, this situation, which China did not want to see come about, is gradually being brought about. Since this situation has been created by Britain alone, it certainly has to bear responsibility for all the consequences of its actions.

Now that Britain has undermined the foundation of Sino-British cooperation on the issue of Hong Kong, China can only intensify all its preparations for Hong Kong's stable transition and the smooth transfer of power in accordance with provisions in the Basic Law. We believe that because of Hong Kong people's support and the hard work of six million countrymen in Hong Kong, Hong Kong will certainly become a more prosperous place after 1997, and Comrade Deng Xiaoping's great concept of "one country, two systems" will certainly become a reality there.

Commentary: UK 'Violated' Hong Kong Declaration

OW1812154393 Beijing XINHUA in English 1513 GMT 18 Dec 93

["XINHUA Commentator Criticizes Britain's Violation of Sino-British Joint Declaration on Hong Kong"]

[Text] Beijing, December 18 (XINHUA)—A commentary of the XINHUA NEWS AGENCY today noted that the British side has obviously violated the Sino-British joint declaration on Hong Kong.

It said that in disregard of the strong objections of the Chinese side and all walks of life of Hong Kong, the British Hong Kong authorities decided to publish the partial "political reform bill" on the "Gazette" and submit it to the legislative council on December 15.

It pointed out that appendix two of the Sino-British joint declaration on Hong Kong clearly stipulates that the measures adopted for implementation of the declaration and the smooth transition in 1997 are the affairs and responsibilities of the Chinese and British Governments.

Now the British side has brazenly let a consulting agency under the British colonial framework solve problems which have not been solved by the Chinese and British Governments and has attempted to turn matters between the Chinese and British Governments into the concern of the Chinese Government, British Government and Hong Kong Legislative Council.

According to the Sino-British joint declaration, if the British side unilaterally disposes of any matter concerning the hand over of political power, it will be invalid.

Lu Ping, director of the Hong Kong and Macao Affairs Office of the State Council, recently noted that the tenure of the members of the councils at three levels which will be elected in 1994 and 1995 can only be valid until June 30, 1997. Any law approved by the British Hong Kong authorities has no power to stipulate that the tenure of the members of the councils can exceed the year 1997.

The commentary pointed out that the Chinese side will not accept any election bill approved by the Hong Kong legislative council and any departments set up according to the election.

On the British side's playing tricks on so-called question of "political reform bill", the commentary noted that the purpose of the British side is to continue ruling over Hong Kong after its "glorious withdrawal" from Hong Kong.

No matter what good words Hong Kong Governor Chris Patten has expressed and how many political performances he has done, the attempt of the British side can not be covered in secrecy from Hong Kong and the world, the commentary said.

It is well known that whenever Britain has had to withdraw from its colonies, it has either seized various interests or made trouble in the colonies so as to leave as many problems as possible, it said.

The commentary noted that on the question of Hong Kong, the British side has followed its old practice and Hong Kong Governor Chris Patten has played an infamous role in British trickery.

While the Chinese Government has decided to resume sovereignty over Hong Kong, Britain has not given up its illusion of enjoying "administrative power" over Hong Kong after 1997.

The commentary pointed out that, in view of a series of actions taken by the British side before and after the Sino-British joint declaration on Hong Kong was signed, the British side is attempting to maintain its influence in Hong Kong.

It noted that the Chinese territory and its sovereignty cannot be separated and it is assured that Britain must return the sovereignty and administrative power of Hong Kong to China.

It said that at any time, the Chinese side and the Hong Kong people will resolutely oppose any actions which violate Chinese sovereignty.

On July 31, 1984, in his meeting with the British foreign secretary, Comrade Deng Xiaoping said that he hoped that the British Hong Kong authorities would not independently establish any organs to impose on the future government of the Hong Kong special administrative region.

However, the commentary said, the situation which the Chinese side is reluctant to see has occurred.

It is created by the British side which should bear the consequences of the situation, the commentary added.

It noted that now that the basis of the cooperation between the Chinese and British side on Hong Kong question has been violated, China has to make preparations for the smooth transition of Hong Kong and the hand over of the political powers in 1997 according to the stipulations of the basic law of the Hong Kong special administrative region.

It said that the Chinese side believes that with the support of all Chinese people and the efforts of the 6 million Hong Kong people, the region will be more prosperous after 1997 and Deng Xiaoping's great plan for "one country, two systems" will certainly come true in Hong Kong.

Editorial Cites UK for Ending Beijing Talks

*HK1812071293 Hong Kong WEN WEI PO in Chinese
18 Dec 93 p 2*

[Editorial: "The Truth Is That the British Have Taken the Initiative To Terminate the Talks"]

[Text] Chris Pattern's move to submit his constitutional reform bill to the Legislative Council serves to put a complete end to Sino-British talks. In order to absolve himself from blame, he make a hypocritical show, saying that "the British side is willing to continue the 18th round of talks with the Chinese side." The Chinese Foreign Ministry spokesman has made it clear that the unilateral decision by the British side to table the bill before the legislature in total disregard of the strong opposition and repeated warnings of the Chinese side means the end of the

Sino-British talks, and that the British side will be held responsible for all the serious consequences arising therefrom.

The Chinese Foreign Ministry spokesman also pointed out: "The Chinese side is following the development of the event with close attention, and hopes the British side will not deceive and mislead the public." Even after the Chinese Foreign Ministry made this clear-cut statement on the stance of the Chinese side, Mike Hanson, information secretary for the Hong Kong governor, still claimed that the British side had not yet received a formal diplomatic note from the Chinese side on the discontinuation of the talks. By adopting such an extremely hypocritical attitude, the British side aims at fooling and misleading the Hong Kong people by means of deception. This has laid bare not only the cunning nature of the British side, but also its intention to practice deception.

Can it be true that the British side is still unaware of the consequences of its unilateral move to place the bill before the legislature? The answer is negative. During his meeting with British Ambassador to China Robin McLaren as early as 7 April this year, Chinese Deputy Foreign Minister Jiang Enzhu formally elaborated to the British side the five-point stand of the Chinese side on the issue of holding talks on Hong Kong's constitution. One of the five points reads that if the British side submits its constitutional reform bill to the Legislative Council before China and Britain reach agreement, that will show once again the British side's lack of sincerity and will mean an end to the talks, responsibility for which will not rest with the Chinese side. Owing to its complete lack of sincerity, the British side has claimed on many occasions, even since the beginning of the talks, that it would submit the constitutional package to the Legislative Council. When delivering his second policy address on 6 October this year, Chris Patten explicitly indicated: "The talks will have to be concluded in weeks, not months." The Chinese side has always showed its strong opposition to this stand, and has issued warnings on many occasions, but the British side has turned a deaf ear to all warnings, and finally ended talks "as scheduled" according to its premeditated plan. At the same time, however, it prates about its willingness to continue talks with the Chinese side. This deceitful trick employed by the British side, with the aim of fooling and misleading the Hong Kong people, has fully exposed the fraudulent and hypocritical nature of the old-line colonialists.

The swashbuckling manner adopted by the British side, by which it has completely ruined the basis for talks on the one hand while prating about holding the 18th round on the other, can by no means cover up the fact that it was the British side that declared "the end of talks" during the 17th round. The facts clearly prove that there exists no so-called 18th round of talks. By strangling the talks and while simultaneously adopting a pose of being willing to continue them, the British side aims only at deceiving the Hong Kong public, but at absolving itself of guilt for sabotaging Hong Kong's stable transition.

Chris Patten once lied that the Chinese side "made some changes" to its stance following the 15th round of talks. As a matter of fact, the Chinese side repeatedly stressed in both the 16th and 17th rounds of talks that the package raised by the Chinese side in the 15th round would remain unchanged. Moreover, according to reports carried by the Hong Kong media, China and Britain reached an first-phase agreement in principle during the 16th round of talks, and respectively submitted a draft memorandum on the agreement; what was left was only a matter of going through necessary signing and adoption formalities. In its memorandum, the British side did not mention the method for electing the Legislative Council when talking about three issues concerning the election of district organizations. During the 17th round of talks, however, the British side suddenly raised a new issue and went back on its word, demanding that the single-seat, single-vote election method also be applicable to the Legislative Council. This shows clearly that the British side deliberately raised difficult issues so as to obstruct discussions on easier ones, and deliberately desired to see all the Chinese side's efforts to bring about an agreement go to waste. When the Chinese side showed disagreement with the British side's practice of going against its promise to "discuss easier issues first and difficult ones later," the representative of the British side immediately announced "as ordered" that the first phase of talks "had to come to an end." Chris Patten then submitted a partial constitutional reform bill to the Legislative Council "as scheduled," thus completing his plan mentioned in his second policy address that "the talks will end in weeks." All these facts also have demonstrated that he already had a premeditated plan when he mentioned "pulling the plug on Sino-British talks" at the cabinet meeting.

All fraudulent tricks eventually will be exposed by facts. At the time when he put forward his package, Patten assumed that he could practice deception, but the publication of seven diplomatic letters between China and Britain has enabled the vast numbers of Hong Kong people to gain a clearer picture of the true nature of the Patten package marked by "three violations." Now, when Hong Kong people finally see the hope of the reopened talks they have longed for, the British side has ruined the talks unilaterally. Under such circumstances, the Hong Kong people are urging the two sides to publicize the details of the breakdown of the talks. Lu Ping, director of the State Council Hong Kong and Macao Affairs, also has challenged the British in this aspect. The British side, however, has tried its best to evade the issue in a perfunctory way. This serves all the more to prove that the British side is entertaining dark schemes and that all the facts prove extremely unfavorable to the British side. What is making the British side—which used to leak information repeatedly—now refuse to breathe a word on the breakdown of the talks?

One cannot shirk responsibility by practicing deception, nor fool the Hong Kong people by deceiving and misleading the public. The Hong Kong people are not fools. It is believed that once the details of breakdown of the talks are made public, the miasma spread by the British side will be cleared up, the whole truth will come out, and the Hong

Kong people will be able to see more clearly who had a premeditated plan to destroy the talks and employed trickery to deceive the Hong Kong people.

China 'Eyeing Community Leaders' as 'Advisers'

HK2012075893 Hong Kong SOUTH CHINA MORNING POST in English 20 Dec 93 p 1

[By Beverly Chau and Doreen Cheung]

[Text] China is ready to appoint community leaders to be the last batch of Hong Kong affairs advisers, according to a local XINHUA (the NEW CHINA NEWS AGENCY) official.

Zhang Xiting, head of Xinhua's New Territories Office, said yesterday that China would consider appointing people from a wider spectrum.

Although Mr Zhang declined to comment on reports that China was likely to appoint district board chairmen, he said Beijing was eyeing community leaders.

"(The new appointees) will represent people from all walks of life and the community," Mr Zhang said.

At present, the 91 Hong Kong affairs advisers are predominately businessmen and professionals.

The district board chairmen are likely to be appointed following their strong support for the Chinese side during the Sino-British row over Governor Chris Patten's political proposals.

Sai Kung District Board chairman, William Wan Hon-cheung, and Wan Chai District Board chairman, Peggy Lam Pei Yu-dja, said they were prepared to accept the appointment.

Mr Wan said they could offer advice regarding district affairs to the Chinese Government due to their long-term service.

Poll Shows Patten's Popularity Remains 'Stable'

HK1812063293 Hong Kong THE STANDARD in English 18 Dec 93 p 4

[Unattributed report]

[Text] Governor Chris Patten's popularity has remained stable since his decision to go it alone on partial political reform, says an opinion poll. But it is expected to drop following China's decision to call off further negotiations.

A poll of more than 500 people by the Social Sciences Research Centre at the Hong Kong University found 49 per cent of people were optimistic about the continuation of talks.

Asked whether Patten's decision to table a partial constitutional reform bill had led to a breakdown in talks, 62 per cent said "no". Most people blamed both sides for the breakdown, although the British side was slightly more at fault.

The poll, conducted between 9 and 14 December, showed Patten's popularity and the public's trust of the British, Chinese and Hong Kong governments remained stable over the past few weeks.

Han Dongfang Seeks Overseas Role Helping Workers

HK1912074293 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 19 Dec 93 p 2

[By Quinton Chan]

[Text] Chinese dissident Han Dongfang has put on hold his plans to return to China, and wants to become an international ambassador for mainland workers. The labour activist said he plans to work for the Chinese labour cause overseas, by attending international labour conferences and organising activities in Hong Kong.

After two failed attempts to return home, Mr. Han described his decision as "one step back", but stressed he had not given up hope of returning. "Things have proved the road back to China is hard," he said.

"It may become meaningless if I still insist on returning to China...there should be a change of strategy and attitude, then there may be some breakthrough afterwards." But the dissident said he planned to work hard outside China on labour activities.

"If the Hong Kong Government allows me to stay, I will stay here for a while....I would like to go back and forth from Hong Kong, and do something for the Chinese labour movement," he said. But he is concerned whether the Government will let him return if he leaves the territory as his visa is due to expire on Wednesday.

Mr. Han has begun his preparations to become an international ambassador for the Chinese labour movement by taking a crash course in English. "It is very inconvenient when I attend international labour conferences and I need an interpreter," he said. "If I can speak English, then communication will be easier."

Despite his plans, Mr. Han said he will definitely return to China if his lawyer, Zhou Guoqiang, is arrested. "If he (Mr. Zhou) is caught and put into jail, then I will try to get to Beijing immediately by every possible means," he said.

As for his confrontation with the Chinese Government, Mr. Han said: "If we treat the whole thing as a game, then I can say it is a draw. I cannot return to China but the other side has also lost a lot."

Mr. Han also said the emergence of the new organisation Peace Charter—a recently-formed pro-democracy group in Beijing—was an important step for the democratic movement on the mainland. "It is a good sign, showing the Chinese Government allows people with different views to organise and work openly," he said.

Joint Crime Fighting With PRC 'Notable Success'

OW1912170693 Beijing XINHUA in English 1614 GMT 19 Dec 93

[By Zhang Qi]

[Text] Hong Kong, December 19 (XINHUA)—Yip Yuk-sang, a 34 year-old Hong Kong resident, fled to the Chinese mainland in fear of punishment shortly after he committed an armed robbery of a local jewelry company in March 1992.

The number-two culprit wanted by the Hong Kong police remained at large by hiding in a remote area in China's southern Guangdong Province until he was caught in a routine crackdown on gambling exercised by the local police earlier this year.

On October 19, 1993, the felon was handed back to Hong Kong by the Chinese police and now faces long terms of imprisonment.

Yip is just one of the 17 criminals handed back by the Chinese police this year in the successful cooperation between Hong Kong and the Chinese mainland in the fight against cross-border crimes.

Since 1985 notable success was achieved by the Hong Kong and mainland police in their fight against crimes such as drug trafficking, smuggling, offenses involving use of firearms and car theft.

Hong Kong is frequented by drug traffickers due to its geographical adjacency to the notorious opium-producing "Golden Triangle," which borders on Thailand, Burma and Laos.

Many drugs produced in the "Golden Triangle" are reportedly distributed from Hong Kong to other countries after they are shipped into the territory via China.

To coordinate its fight against drug crimes with its Hong Kong counterpart, the Chinese police has reinforced its patrol along its southern border areas and equipped custom houses in major cities with sophisticated detecting facilities.

According to a Chinese official, by the end of September this year, the Chinese side had arrested 23 Hong Kong residents, each involved in smuggling over 1,000 grams of drugs, and had handed all of them back to Hong Kong.

In face of the constant crackdown on smuggling, a headache for both sides for a long time, some smugglers recently began employing high speed boats as a major transport means in an attempt to overrun police boats in case they are detected. Hong Kong police had put the number of such boats sailing between the territory and Guangdong at 28.

Acting on information, the police bureau of Guangdong Province launched a blitz attack on 23 such boats harboring near a small village along the province's coastline in September this year.

The successful seizure of them was hailed here by the local media as a fatal blow to such smuggling activities.

Crimes involving the use of firearms in Hong Kong are constantly reported despite the local law forbidding individuals to buy and possess them.

During a recent visit to Hong Kong, Zhu Entao, head of Interpol National Central Bureau China, said that China had reached an agreement with Vietnam to curb the flow of illegal weapons into China.

The agreement will help in curbing effectively the influx of illegal firearms into Hong Kong, Zhu said.

Although he didn't give much details on the agreement, the latest figures published by the Hong Kong Police Department revealed that crimes involving the use of firearms in the territory have recorded a drastic drop.

Li Kwan-ha, the commissioner of the Royal Hong Kong Police, attributed the sharp drop partially to the cooperation between the Hong Kong police and its Chinese counterpart.

Car theft, especially that of luxurious ones, used to be rampant in Hong Kong. As some of the stolen luxurious cars are said to be shipped into the mainland and sold there, the Chinese side paid great attention to such criminal trend, said a Chinese police officer.

Between January and November this year, the Chinese side had seized altogether 24 stolen luxurious cars shipped into the mainland and had sent all of them back to Hong Kong, he said.

The police forces of the two sides have also carried out fruitful cooperation in fight against other cross-border crimes such as illegal immigration and commercial crimes.

Police officers from the two sides agreed that their joint efforts have contributed to the social security and stability in both Hong Kong and the Chinese mainland.

Recently police officers of the two sides held their 18th bilateral meeting here in Hong Kong, a regular exchange since 1985.

Number of Mainland Illegal Immigrants Increases

HK2012080093 Hong Kong SOUTH CHINA MORNING POST in English 20 Dec 93 p 2

[By Mathew Loh]

[Text] The number of illegal immigrants sneaking into the territory is heading towards a record high since the influx started in 1980.

Up to yesterday, 34,314 had been caught this year—more than the total for the whole of last year.

There were 33,703 illegal immigrants caught last year and 24,029 in 1991.

Police concede the number of people caught might only represent a small percentage of the total number who entered illegally.

Police records reveal a consistent influx of illegal immigrants on a monthly basis with no particular period suffering from a significantly heavier rate.

A police source said that the steady flow of illegal immigrants could indicate an unsuccessful border control.

"However, it is very hard to judge how many illegal immigrants slip in without being caught and we remain confident of being on top of the problem and will continue to use the necessary resources to deal with it," he said.

One notable change shown by records of routes used by illegal immigrants is that the majority of those arrested crossed the border at sea rather than on land.

In 1991, 14,066 arrested illegal immigrants crossed into Hong Kong by land, compared with 10,023 by sea.

Last year the pattern was reversed, 17,891 used the sea while 15,812 came overland.

And this pattern has continued in the first 11 months of this year, with only 12,373 illegal immigrants entering by land compared with the 21,003 who arrived by boat.

Police credit this with the impact of the Anti Smuggling Task Force whose operation had greatly increased marine surveillance.

The most significant number of arrests occurred in the northern New Territories, with 14,849 caught in the first 11 months.

Finance Secretary on Uruguay Round Talks

HK1812061093 Hong Kong THE STANDARD in English 18 Dec 93 p 1

[Unattributed report]

[Text] Financial Secretary Hamish Macleod yesterday welcomed the successful conclusion of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) talks, calling it "a relief" and "a major step forward". Macleod said Hong Kong had led the discussion in Geneva on key issues including financial services and anti-dumping. He said: "We played an important role in curbing the worst excesses which some would have liked to impose on us. One can't expect to be satisfied with all of it but overall this has to be good news for trading economies like ours."

Tony Miller, director general of trade and Hong Kong's chief negotiator in the talks, said the agreement would earn Hong Kong an extra \$3.2 billion a year in domestic exports.

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